101st Congress
2d Session

HOUSE OF REPRESENTATIVES

Rept. 101-569
Part 3

FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

SUPPLEMENTAL REPORT

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ON

H.R. 3950

July 17, 1990.—Ordered to be printed

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Mr. de la Garza, from the Committee on Agriculture, submitted the following

SUPPLEMENTAL REPORT

[To accompany H.R. 3950]

This supplemental report shows additional committee position and consideration and changes in existing law made by the bill (H.R. 3950), as reported, which were omitted in part 1 of the report submitted on July 3, 1990 (H. Rept. 101-569, pt. 1).

Committee Consideration

At the conclusion of the June 13, 1990, business meeting of the Committee on Agriculture, the Committee approved by a voice vote the substitute amendment to H.R. 3950. H.R. 3950 was then ordered reported to the House by a voice vote of the Committee in the presence of a quorum with the recommendation that it do pass.

By unanimous consent, the Committee staff were given permission to make any necessary technical, clarifying, or conforming changes to the bill. The Committee then adjourned at 2:05 a.m. on Thursday, June 14, 1990.

Additional Committee Position

The Committee notes that the Government of Malaysia has imposed prohibitive tariffs on imports of several United States' products, including those that support the edible oil industry produced by the Fuller's Earth Processors. These high tariffs are unnecessarily burdensome, interfere with trade and are contrary to the overall approach of the world trading system. The Committee supports the efforts of the U.S. Trade Representative to resolve this matter, and strongly urges the Trade Representative to continue to pursue every available option to eliminate this trade restriction.

32-436

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ACT OF 1949

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TITLE I—BASIC AGRICULTURAL COMMODITIES

* * * * * * *

SEC. 101B. (a) LOANS AND PURCHASES.—(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall make available to produce nonrecourse loans and purchases for each of the 1991 through 1995 crops of rice at a level that is not less than the higher of—

(A) 85 percent of the simple average price received by producers, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; or

(B) $6.50 per hundredweight.

(2) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any crop of rice determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop.

(3) ANNOUNCEMENT OF LOAN LEVEL AND ESTABLISHED PRICE.—The loan and purchase level and the established price for each of the 1991 through 1995 crops of rice shall be announced not later than January 31 of each calendar year for the crop harvested in such calendar year.

(4) LENGTH OF TERMS OF NONRECOURSE LOANS.—A loan made under this section shall have a term of not more than 9 months beginning after the month in which the application for the loan is made.

(5) MARKETING LOAN.—(A) IN GENERAL.—The Secretary shall permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

(i) the loan level determined for such crop; or

(ii) the higher of—

(I) the loan level determined for such crop multiplied by 70 percent; or

(II) the prevailing world market price for rice, as determined by the Secretary.

(B) DETERMINATION OF PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

(i) a formula to define the prevailing world market price for rice; and

(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for rice.

(C) PRODUCER PURCHASE OF NEGOTIABLE MARKETING CERTIFICATES.—(i) As a condition of permitting a producer to repay a loan as provided in subparagraph (A), the Secretary may require a producer to purchase marketing certificates equal in value to an amount that does not exceed one-half the difference, as determined by the Secretary, between the amount of the loan obtained by the producer and the amount of the loan repayment. Such certificates shall be negotiable.

(ii) Such certificates shall be redeemable for agricultural commodities or products thereof owned by the Commodity Credit Corporation valued at the prevaiing market price, as determined by the Secretary.

(iii) The Commodity Credit Corporation, under regulations prescribed by the Secretary, shall assist any person receiving marketing certificates under this subparagraph in the redemption or marketing of such certificates. Insofar as practicable, the Secretary shall permit an owner of a certificate to designate the storage facility at which such owner would prefer to receive agricultural commodities or products thereof in exchange for such certificate.

(iv) If any such certificate is not presented for redemption or marketing within a reasonable number of days after issuance, as determined by the Secretary, reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after such reasonable number of days and ending with the date of the presentation of such certificate to the Commodity Credit Corporation.

(6) SIMPLE AVERAGE PRICE DETERMINATION.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

(b) PAYMENTS FOR FORGOING LOAN OR PURCHASE.—(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of rice, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

(A) the loan payment rate; by

(B) the quantity of rice the producer is eligible to place under loan.

(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of rice eligible to be placed under loan may not exceed the product obtained by multiplying—

(A) the individual farm program acreage for the crop; by

(B) the actual yield per harvested acre for the farm.

(4) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan level determined for such crop under subsection (a); exceeds

(B) the level at which a loan may be repaid under subsection (a).

(5) PAYMENT IN NEGOTIABLE MARKETING CERTIFICATES.—The Secretary may make up to one-half the amount of a payment under this

subsection available in the form of negotiable marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(C).

(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments (to be known as "deficiency payments") for each of the 1991 through 1995 crops of rice in an amount computed by multiplying—

(i) the payment rate; by

(ii) the individual farm program acreage; by

(iii) the farm program payment yield established for the crop for the farm.

(B) 0/92 AND 50/92 PROGRAMS.—(i) If an acreage limitation program under subsection (e)(2) is in effect for a crop of rice and the producers on a farm devote a portion of the permitted rice acreage of the farm (as determined in accordance with subsection (e)(2)(A)) equal to more than 8 percent of the permitted rice acreage of the farm for the crop to conservation uses (except as provided in subparagraph (F))—

(I) such portion of the permitted rice acreage in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to rice for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

(II) the producers shall be eligible for payments under this paragraph on such acreage, subject to the compliance of the producers with clause (ii).

(ii)(I) To be eligible for payments under clause (i), except as provided in subclause (II) and clause (iv), the producers on a farm must actually plant rice for harvest on at least 50 percent of the permitted rice acreage of the farm.

(II) The Secretary may waive the 50 percent planting requirement in subclause (I) for any crop of rice.

(iii) Notwithstanding any other provision of this section, any producer who elects to devote a portion (or, where the Secretary exercises the waiver authority under clause (ii)(II), all) of the permitted rice acreage of the farm to conservation uses (or other uses as provided in subparagraph (F)), under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to rice and eligible for payments under this subparagraph for such crop at a rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which rice producers may agree to participate in the program for such crop.

(iv) If a State or local agency has imposed in an area of a State or county a quarantine on the planting of rice for harvest on farms in such area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph to producers in such area who were required to forgo the planting of rice for harvest on acreage to alleviate or eliminate the

condition requiring such quarantine. If the Secretary determines that such condition exists, the Secretary may make payments under this paragraph to such producers. To be eligible for payments under this clause, such producers must devote such acreage to conservation uses (except as provided in subparagraph (F)).

(v) If an acreage limitation program under subsection (e) is in effect for any crop of rice and if the Secretary determines that producers on a farm are prevented from planting the acreage intended for rice to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments computed as provided in paragraph (1)(A). Producers shall be eligible for such payments if a portion (or all) of the permitted rice acreage of the farm is devoted to conservation uses (except as provided in paragraph (F)). Such acreage equal to more than 8 percent of the permitted rice acreage of the farm for the crop shall be considered to be planted to rice for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D). The provisions of clauses (iii)(and (vi) shall apply to any such producers.

(vi) The rice crop acreage base and rice farm program payment yield of the farm shall not be reduced due to the fact that such portion (or all) of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)).

(vii) Other than as provided in clauses (i) through (v), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

(viii) Any acreage considered to be planted to rice in accordance with clauses (i) and (v) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

(C) Payment rate.—The payment rate for rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

(i) the national average market price received by producers during the first 5 months of the marketing year for such crop, as determined by the Secretary; or

(ii) the loan level determined for such crop.

(D) Minimum established price.—The established price for rice shall not be less than $10.71 per hundredweight.

(E) Reduction for disaster payments.—The total quantity of rice on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

(F) Alternative crops.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no

substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion (or all) of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

(I) the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage that the producers were prevented from planting to rice or other nonconserving crops in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

(II) 75 percent of the farm program payment yield established for the farm by the Secretary; by

(III) a payment rate equal to 33⅓ percent of the established price for the crop.

(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or in such other form as the Secretary is authorized by law to make.

(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the rice acreage of the producers; or

(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the rice acreage of the producers.

(D) Exception from limitation.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crops or from reduced yields;

(II) such losses have created an economic emergency for the producers;

(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses is insufficient to alleviate such economic emergency; and

(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

(ii) The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

(d) Farm Program Payment Yields.—The farm program payment yields for farms for each crop of rice shall be determined under title V.

(e) Programs To Reduce Acreage.—(1) In general.—(A) Excessive supply.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of rice, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of rice an acreage limitation program as described in paragraph (2).

(B) Consideration of conservation reserve.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

(C) Announcement of program.—If the Secretary elects to put an acreage limitation program into effect for any crop year, the Secretary shall announce any such program not later than January 31 of the calendar year in which the corp is harvested.

(D) Ratio of carry-over to total disappearance.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of rice in a manner that will result in carry-over stocks equal to between sixteen and one-half and twenty percent of the simple average of the total disappearance of rice for each of the three marketing years preceding the year for which the announcement is made. For the purpose of this subparagraph, "total disappearance" means all rice utilization, including total domestic, total export, and total residual disappearance.

(2) Acreage limitation program.—(A) Uniform percentage reduction.—If a rice acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (not to exceed 35 percent) to the rice crop acreage base for the crop for each rice-producing farm.

(B) Enforcement.—Except as provided in subsection (g), producers who knowingly produce rice in excess of the permitted rice acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for rice loans, purchases, and payments with respect to that farm.

(C) Crop acreage bases.—Rice crop acreage bases for each crop of rice shall be determined under title V.

(D) Conservation use acreage.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres planted to such commodity; by

(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

(ii) The number of acres determined under clause (i) is hereafter in this subsection referred to as "reduced acreage".

(E) Farm program acreage.—Except as provided in subsection (c)(1)(B), the individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

(3) Use of conservation acreage.—(A) Protection from weeds and erosion.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

(B) Permitted plantings.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

(C) Haying and grazing.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B)), or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

(4) Land diversion program.—(A) Payments.—The Secretary may make land diverison payments to producers of rice, whether or not an acreage limitation program for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

(B) Bids for contracts.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

(C) Limitation on diverted acreage.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

(5) Wildlife uses for reduced and diverted acreage.—(A) In general.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

(B) Cost sharing.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

(C) Encouragement of public access.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(6) Participation agreements.—(A) In general.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

(B) Modification or termination.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

(f) One-half acreage reduction program.—(1) In general.—The Secretary may, for each of the 1991 through 1995 crops of rice, make payments available to producers who meet the requirements of this subsection.

(2) Form of payment.—Such payments may be—

(A) made in the form of rice owned by the Commodity Credit Corporation; or

(B) made in such other form as the Secretary is authorized by law to make.

(3) Determination of payment.—(A) In general.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

(B) Quantity of rice made available.—The quantity of rice to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

(4) Eligibility.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

(B) agrees to forgo receiving payments under subsection (c);

(C) does not plant rice for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and (D) otherwise complies with this section.

(g) Equitable Relief.—(1) Loans and payments.—If the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

(2) Deadlines and program requirements.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

(h) Regulations.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

(i) Commodity Credit Corporation.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(j) Assignment of Payments.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

(k) Equitable Sharing of Payments.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

(l) Tenants and Sharecroppers.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(m) Prohibitions.—(1) Cross compliance.—(A) In general.—Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program, or

compliance with crop base acreage requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

(B) CROP ACREAGE BASE INCREASES.—If a producer on a farm is participating in the rice program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acrage base requirements of the applicable commodity program for such commodity.

(2) OFFSETTING COMPLIANCE.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the rice program with respect to any other farm operated by such producers.

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SEC. 103.(a) * * *

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(h)(1) * * *

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(16)(A) * * *

(B) In the case of [each of the 1989 and 1990] *the 1989 and subsequent* crops of extra long staple cotton, the Secretary may require that, as a condition of eligibility of producers for loans or payments under this subsection, the acreage planted for harvest on the farm to any other commodity for which an acreage limitation program is in effect shall not exceed the crop acreage base established for the farm for that commodity.

(C) Notwithstanding any other provision of law, in the case of [each of the 1987 through 1990] *the 1987 and subsequent* crops of extra long staple cotton, compliance with the terms and conditions of the program authorized by this subsection may not be required as a condition of eligibility for loans, purchases, or payments under any other commodity program.

* * * * * * *

(19) Notwithstanding any other provision of law, this subsection shall not be applicable to the [1991] *1996* and subsequent crops of extra long staple cotton.

* * * * * * *

SEC. 103B. (a) LOANS.—(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title, as determined by the Secretary, reflecting accrued storage charges of not more than 60 days, make available for the 1991 through 1995 crops of upland cotton to producers nonrecourse loans for a term of 10 months from the first day of the month in which the loan is made at such loan level, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average location in the United States a level that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of such base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the level of price support is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the level of price support is announced, of the 5 lowest-priced growths of the growths quoted for Middling one and three-thirty-seconds inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton, as determined by the Secretary).

For purposes of perfecting a security interest under any State law, the evidence of title approved by the Secretary under this paragraph shall be considered to be a warehouse receipt.

(2) ADJUSTMENTS TO LOAN LEVEL.—(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any crop determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop, nor may such loan level be reduced below 50 cents per pound.

(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any crop the average northern European price determined under paragraph (1)(B) is less than the average United States spot market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under paragraph (1)(A).

(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any crop of upland cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective. Such loan level shall not thereafter be changed.

(4) LENGTH OF TERMS OF NONRECOURSE LOANS.—(A) EXTENSION OF TERMS.— Except as provided in subparagraph (B), nonrecourse loans provided for in this section shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

(B) LIMITATION ON EXTENSIONS.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeded 130 percent of the average price of such base quality of cotton in such markets for the preceding 36-month period.

(5) COMPETITIVE POSITION DETERMINATION.—(A) IN GENERAL.—If the Secretary determines that the prevailing world market price for upland cotton (adjusted to United States quality and location) is below the loan level determined under the foregoing provisions of this subsection, in order to make United States upland cotton com-

petitive in world markets, the Secretary shall implement the provisions of Plan A or Plan B in accordance with this paragraph.

(B) REDUCED LOAN REPAYMENT LEVEL.—If the Secretary elects to implement Plan A, the Secretary shall permit a producer to repay a loan made for any crop at a level determined and announced by the Secretary at the same time the Secretary announces the loan level for such crop as determined under paragraph (3). Such repayment level for loans on such crops shall not be less than 80 percent of the loan level determined for the crop. Such repayment level, once announced for the crop, shall not thereafter be changed.

(C) MARKETING LOAN.—(i) If the Secretary elects to implement Plan B, except as provided in clause (ii), the Secretary shall permit a producer to repay a loan made for any crop at a level that is the lesser of—

(I) the loan level determined for such crop; or

(II) the prevailing world market price for upland cotton (adjusted to United States quality and location), as determined by the Secretary.

(ii) For each of the 1991 through 1995 crops of cotton, if the prevailing world market price for upland cotton (adjusted to United States quality and location) as determined by the Secretary, is less than 80 percent of the loan level determined for such crop, the Secretary may permit a producer to repay a loan made under this subsection for a crop at such level (not in excess of 80 percent of the loan level determined for such crop) as the Secretary determines will—

(I) minimize potential loan forfeitures;

(II) minimize the accumulation of cotton stocks by the Federal Government;

(III) minimize the cost incurred by the Federal Government in storing cotton; and

(IV) allow cotton produced in the United States to be marketed freely and competitively, both domestically and internationally.

(D) FIRST HANDLER NEGOTIABLE MARKETING CERTIFICATES.—(i) During the period beginning August 1, 1991, and ending July 31, 1996, if a program carried out under Plan A or Plan B fails to make United States upland cotton fully competitive in world markets and the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for upland cotton determined under subparagraph (A), then in order to make United States upland cotton competitive in world markets and to maintain and expand domestic consumption and exports of upland cotton produced in the United States, the Secretary shall provide for the issuance of negotiable marketing certificates in accordance with this subparagraph.

(ii) The Commodity Credit Corporation, under such regulations as the Secretary may prescribe, shall make payments, through the issuance of negotiable marketing certificates, to first handlers of cotton (persons regularly engaged in buying or selling upland cotton) who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. Such payments shall be made in such monetary amounts

and subject to such terms and conditions as the Secretary determines will make upland cotton produced in the United States available at competitive prices, consistent with the purposes of this subparagraph.

(iii) The value of each certificate issued under clause (ii) shall be based on the difference between—

(I) the loan repayment rate for upland cotton under Plan A or Plan B, as the case may be; and

(II) the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary.

(iv) The Commodity Credit Corporation, under regulations prescribed by the Secretary, may assist any person receiving marketing certificates under this subparagraph in the redemption of certificates for cash, or marketing or exchange of such certificates for agricultral commodities or the products thereof owned by the Commodity Credit Corporation, at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this subparagraph. Any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

(v) Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products thereof, including storage sites thereof, such owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of such certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after such reasonable number of days and ending with the date of the presentation of such certificate to the Commodity Credit Corporation.

(vi) The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and products for certificates under this subsection from adversely affecting the income of producers of such commodities or products.

(vii) Under regulations prescribed by the Secretary, certificates issued to cotton handlers under this subparagraph may be transferred to other handlers and persons approved by the Secretary.

(E) DETERMINATION OF PREVAILING WORLD MARKET PRICE.—(i) The Secretary shall prescribe by regulation—

(I) a formula to define the prevailing world market price for upland cotton (adjusted to United States quality and location); and

(II) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton (adjusted to United States quality and location).

(ii) The prevailing world market price for upland cotton (adjusted to United States quality and location) established under this subparagraph shall be used for purposes of both Plan A and Plan B and marketing certificates under subparagraph (D).

(F) ADJUSTMENT TO PREVAILING WORLD MARKET PRICE.—(i) During the period beginning August 1, 1991, and ending July 31,

1996, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subparagraph (E) shall be further adjusted if:

(I) such adjusted prevailing world market price is less than 115 percent of the current crop year loan level for the base quality of upland cotton, as determined by the Secretary; and

(II) the Friday through Thursday average price quotation for the lowest-priced U.S. growth as quoted for Middling (M) one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the five lowest-priced growths of upland cotton, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe (hereafter referred to as "the Northern Europe price").

(ii) Such adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

(I) the U.S. share of world exports;

(II) the current level of cotton export sales and cotton export shipments; and

(III) other data determined by the Secretary, or a designee of the Secretary, to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(iii) The adjustment may not exceed the difference between the Friday through Thursday average price for the lowest-priced U.S. growth as quoted for Middling one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe and the Northern Europe price.

(G) COTTON USER NEGOTIABLE MARKETING CERTIFICATES.—During the period beginning August 1, 1991, and ending July 31, 1996, if for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound, the Secretary shall issue negotiable marketing certificates to domestic users or exporters for documented sales made in the week following such consecutive four-week period. The value of such negotiable marketing certificates shall be based on the amount of the difference, reduced by 1.25 cents per pound, in such prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in such documented sales. The provisions of subparagraphs (D)(iv) through (vii) shall apply to negotiable marketing certificates issued under this subparagraph, and any such certificates may be transferred to other persons approved by the Secretary under regulations prescribed by the Secretary.

(H) SPECIAL IMPORT QUOTA; ONE WEEK'S MILL CONSUMPTION.—(i) The President shall, within 60 days after the date of enactment of this section, establish an import quota program which shall provide that whenever the Secretary determines and announces that for any consecutive ten week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton,

delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under subparagraphs (F), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special limited global import quota.

(ii) Such quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(iii) Such quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under clause (i) and entered into the United States not later than 180 days after such date.

(iv) A special quota period may be established that overlaps any existing quota period if required by the provisions of clause (i), except that a special quota period may not be established under this paragraph if a special quota period has been established under subsection (n).

(6) Recourse seed cotton loans.—In order to encourage and assist producers in the orderly ginning and marketing of their production of upland cotton, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

(b) Payments for Forgoing Loan.—(1) In general.—The Secretary shall, for each of the 1991 through 1995 crops of upland cotton, make payments available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining such loan in return for such payments.

(2) Computation.—A payment under this subsection shall be computed by multiplying—

(A) the loan payment rate; by

(B) the quantity of upland cotton on which the producer requests payment.

(3) Quantity eligible.—For purposes of this subsection, the quantity of upland cotton eligible for payment may not exceed the product obtained by multiplying—

(A) the individual farm program acreage for the crop; by

(B) the actual yield per harvested acre established for the farm.

(4) Loan payment rate.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan level determined for such crop under subsection (a) exceeds

(B) the level at which a loan may be repaid under subsection (a).

(5) Payment in negotiable marketing certificates.—The Secretary may make up to one-half the amount of a payment under this subsection available in the form of negotiable marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(D).

(c) Deficiency Payments.—(1) In general.—(A) Computation.—The Secretary shall make available to producers payments (to be known as "deficiency payments") for each of the 1991 through 1995 crops of upland cotton in an amount computed by multiplying—

(i) the payment rate; by

(ii) the individual farm program acreage; by

(iii) the farm program payment yield established for the crop for the farm.

(B) 0/92 AND *50/92* PROGRAMS.*—(i) If an acreage limitation program under subsection (e)(2) is in effect for a crop of upland cotton and the producers on a farm devote a portion of the permitted upland cotton acreage of the farm (as determined in accordance with subsection (e)(2)(A)) equal to more than 8 percent of the permitted upland cotton acreage of the farm for the crop to conservation uses (except as provided in subparagraph (F))—*

(I) such portion of the permitted upland cotton acreage in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to upland cotton for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

(II) the producers shall be eligible for payments under this paragraph on such acreage, subject to the compliance of the producers with clause (ii).

(ii)(I) To be eligible for payments under clause (i), except as provided in subclause (II) and clause (iv), the producers on a farm must actually plant upland cotton for harvest on at least 50 percent of the permitted upland cotton acreage of the farm.

(II) The Secretary may waive the 50 percent planting requirement in subclause (I) for any crop of upland cotton.

(iii) Notwithstanding any other provision of this section, any producer who elects to devote a portion (or, where the Secretary exercises the waiver authority under clause (ii)(II), all) of the permitted upland cotton acreage of the farm to conservation uses (or other uses as provided in subparagraph (F)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to upland cotton and eligible for payments under this subparagraph for such crop at a rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which upland cotton producers may agree to participate in the program for such crop.

(iv) If a State or local agency has imposed in an area of a State or county a quarantine on the planting of upland cotton for harvest on farms in such area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph to producers in such area who were required to forgo the planting of upland cotton for harvest on acreage to alleviate or eliminate the condition requiring such quarantine. If the Secretary determines that such condition exists, the Secretary may make payments under this paragraph to such producers. To be eligible for payments under this clause, such producers must devote such acreage to conservation uses (except as provided in subparagraph (F)).

(v) If an acreage limitation program under subsection (e) is in effect for any crop of upland cotton and if the Secretary determines

that producers on a farm are prevented from planting the acreage intended for upland cotton to upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments computed as provided in paragraph (1)(A). Producers shall be eligible for such payments if a portion (or all) of the permitted upland cotton acreage of the farm is devoted to conservation uses (except as provided in paragraph (F)). Such acreage equal to more than 8 percent of the permitted upland cotton acreage of the farm for the crop shall be considered to be planted to upland cotton for the purpose of determining the individual farm program acreage in accordance with subsection (e)(2)(E) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D). The provisions of clauses (iii) and (vi) shall apply to any such producers.

(vi) The upland cotton crop acreage base and upland cotton farm program payment yield of the farm shall not be reduced due to the fact that such portion (or all) of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)).

(vii) Other than as provided in clauses (i) through (v), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to upland cotton.

(viii) Any acreage considered to be planted to upland cotton in accordance with clauses (i) and (v) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

(C) PAYMENT RATE.—The payment rate for upland cotton shall be the amount by which the established price for the crop of upland cotton exceeds the higher of—

(i) the national average market price received by producers during the calendar year that includes the first 5 months of the marketing year for such crop, as determined by the Secretary; or

(ii) the loan level determined for such crop.

(D) MINIMUM ESTABLISHED PRICE.—The established price for upland cotton shall not be less than $0.729 per pound.

(E) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of upland cotton on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is make to the producer for the crop under paragraph (2).

(F) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The

Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

(2) DISASTER ASSISTANCE—(A) PREVENTED PLANTING PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion (or all) of the acreage intended for upland cotton to upland cotton or other nonconserving crops becuase of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

(I) the number of acres so affected but not to exceed the acreage planted to upland cotton for harvest (including any acreage that the producers were prevented from planting to upland cotton or other nonconserving crops in lieu of upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

(II) 75 percent of the farm program payment yield established for the farm by the Secretary; by

(III) a payment rate equal to 33⅓ percent of the established price for the crop.

(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or in such other form as the Secretary is authorized by law to make.

(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of upland cotton that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the upland cotton acreage of the producers; or

(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers

under such Act with respect to the upland cotton acreage of the producers.

(D) Exception from limitation.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting upland cotton or other nonconserving crops or from reduced yields;

(II) such losses have created an economic emergency for the producers;

(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

(ii) The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

(d) Farm Program Payment Yields.—The farm program payment yields for farms for each crop of upland cotton shall be determined under title V.

(e) Programs To Reduce Acreage.—(1) In general.—(A) Excessive supply.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of upland cotton, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of upland cotton an acreage limitation program as described in paragraph (2).

(B) Consideration of conservation reserve.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

(C) Announcement of program.—(i) If the Secretary elects to put an acreage limitation program into effect for any crop year, the Secretary shall make a preliminary announcement of any such program not later than November 1 of the calendar year preceding the year in which the crop is harvested. Such announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop acreage base described in paragraph (2)(A).

(ii) Not later than January 1 of the calendar year in which the crop is harvested, the Secretary shall make a final announcement of such program. Such announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop described in paragraph (2)(A).

(iii) The Secretary shall allow producers in early planting areas to elect to participate in the program on the terms of the acreage limitation program—

(I) first announced for the crop under subparagraph (C)(i); or

(II) as subsequently revised under subparagraph (C)(ii)

if the Secretary determines that such producers may be unfairly disadvantaged by such revision.

(D) RATIO OF CARRYOVER TO TOTAL DISAPPEARANCE.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carryover to total disappearance (domestic use plus exports) of 30 percent, based on the Secretary's most recent projection of carryover and total disappearance at the time of announcement of the acreage limitation program.

(2) ACREAGE LIMITATION PROGRAM—(A) UNIFORM PERCENTAGE REDUCTION.—If an upland cotton acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (not to exceed 25 percent) to the upland cotton crop acreage base for the crop for each upland cotton-producting farm.

(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce upland cotton in excess of the permitted upland cotton acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for upland cotton loans and payments with respect to that farm.

(C) CROP ACREAGE BASES.—Upland cotton crop acreage bases for each crop of upland cotton shall be determined under title V.

(D) CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres planted to such commodity; by

(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

(ii) The number of acres determined under clause (i) is hereafter in this subsection referred to as "reduced acreage."

(E) FARM PROGRAM ACREAGE.—Except as provided in subsection (c)(1)(B), the individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

(3) USE OF CONSERVATION ACREAGE.—(A) Protection from weeds and erosion.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, rapeseed, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production

is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

(C) Haying and grazing.—(i) Except as provided in clause (ii) haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B)), or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

(4) Land diversion program.—(A) Payments.—(i) The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation program for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

(ii) If, at the time of final announcement of the acreage limitation program established under this subsection, the projected carry-over of upland cotton for the crop year is equal to or greater than 8 million bales, the Secretary shall offer a paid land diversion program to producers of upland cotton. Payments to producers under such a program shall be determined by multiplying—

(I) the payment rate, of not less than 35 cents per pound of cotton, established by the Secretary; by

(II) the program payment yield established for the crop for the farm; by

(III) the number of permitted upland cotton acres diverted on the farm.

(B) Bids for contracts.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

(C) Limitation on diverted acreage.—The Secretary shall limit the total acreage to be diverted under this paragraph—

(i) to not more than 15 percent of the upland cotton crop acreage base for a farm; and

(ii) under agreements in any county or local community so as not to affect adversely the economy of the county or local community

The Secretary may allow producers to participate in a land diversion program under this paragraph at a level lower than the maxi-

mum level announced by the Secretary, at the option of the producer, if the Secretary determines that it will increase participation in such program.

(5) Wildlife uses for reduced and diverted acreage.—(A) In general.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

(B) Cost sharing.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

(C) Encouragement of public access.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(6) Participation agreements.—(A) In general.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

(B) Modification or termination.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or allevaite a shortage in the supply of agricultural commodities.

(f) One-Half Acreage Reduction Program.—(1) In general.—The Secretary may, for each of the 1991 through 1995 crops of upland cotton, make payments available to producers who meet the requirements of this subsection.

(2) Form of payment.—Such payments may be—

(A) made in the form of upland cotton owned by the Commodity Credit Corporation; or

(B) made in such other form as the Secretary is authorized by law to make.

(3) Determination of payment.—(A) In general.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

(B) Quantity of cotton made available.—The quantity of upland cotton to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

(4) Eligibility.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

(A) agrees to forgo obtaining a loan under subsection (a);

(B) agrees to forgo receiving payments under subsection (c);

(C) does not plant upland cotton for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

(D) otherwise complies with this section.

(g) Equitable Relief.—(1) Loans and payments.—If the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

(2) Deadlines and program requirements.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

(h) Regulations.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

(i) Commodity Credit Corporation.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(j) Assignment of Payments.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

(k) Equitable Sharing of Payments.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

(l) Tenants and Sharecroppers.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(m) Prohibitions.—(1) Cross compliance.—(A) In general.—Compliance on a farm with the terms and conditions of any other commodity program or compliance with crop acreage base requirements for any other commodity may not be requried as a condition of eligibility for loans or payments under this section.

(B) Crop acreage base increases.—If a producers on a farm is participating in the cotton program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

(2) Offsetting compliance.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for such farm, to comply with the terms and conditions of the upland cotton program with respect to any other farm operated by such producers.

(n) Special Import Quota; 21 Day's Mill Consumption.—(1) Determination.—Whenever the Secretary determines that the average price of the base quality of upland cotton, as determined by the Sec-

retary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in such markets for the preceding 36 months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

(A) QUANTITY OF QUOTA.—The quantity of the special quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IN EVENT OF PRIOR QUOTA.—If a special quota has been established under this subsection during the preceding 12 months, the quantity of the quotas next established hereunder shall be the smaller of 21 days of domestic mill consumption calculated as set forth in subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) DEFINITIONS.—As used in subparagraph (B):

(i) The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the special quota is established; plus

(II) production of the current crop; plus

(III) imports to the latest date available during the marketing year.

(ii) The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; plus

(II) the larger of either the average exports of upland cotton for the preceding 6 marketing years, or the cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the special quota is established.

(D) QUOTA ENTRY PERIOD.—When a special quota is established under this subsection, cotton may be entered under such quota during the 90-day period beginning on the effective date of the proclamation.

(2) PROHIBITION.—Notwithstanding paragraph (1), a special quota period may not be established—

(A) that overlaps an existing quota period; or

(B) when a special quota period has been established under subsection (a)(5)(H).

SEC. 105A. (a) LOANS AND PURCHASES.—(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4) the Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of corn at such level as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

(2) MINIMUM LOAN LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1)

shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

(3) ADJUSTMENTS TO SUPPORT LEVEL.—(A) STOCKS TO USE RATIO.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount not to exceed 5 percent in any year;

(iii) less than 12.5 percent the Secretary may not reduce the loan and purchase level for corn for the marketing year.

(B) REPORT TO CONGRESS.—(i) If the Secretary adjusts the level of loans and purchases for corn under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

(I) ceretifying such adjustment as necessary to prevent the build-up of stocks and to retain market share; and

(II) containing a description of the need for such adjustment.

(ii) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

(C) COMPETITIVE POSITION.—Notwithstanding the provisions of subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for corn, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 5 percent in any year.

(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for corn under this paragraph shall not be considered in determining the loan and purchase level for corn for subsequent years.

(4) MARKETING LOAN—(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under paragraphs (1) or (6) for a crop at a level that is the lesser of—

(i) the loan level determined for such crop; or

(ii) the higher of—

(I) 70 percent of such level;

(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

(III) the prevailing world market price for feed grains, as determined by the Secretary.

(B) World price formula.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

(i) a formula to define the prevailing world market price for feed grains; and

(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for feed grains.

(5) Simple average price.—For purposes of this section, the Secretary in determining the simple average price received by producers for the immediately preceding marketing year shall use the latest information available to the Secretary at the time of the determination.

(6) Loan levels for other feed grains.—The Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of grain sorghum, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b).

(b) Payments for Forgoing Loan or Purchase.—(1) In general.—The Secretary may, for each of the 1991 through 1995 crops of corn, grain sorghum, barley, oats, and rye, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

(2) Computation.—A payment under this subsection shall be computed by multiplying—

(A) the loan payment rate; by

(B) the quantity of such feed grains the producer is eligible to place under loan.

(3) Quantity eligible.—For purposes of this subsection, the quantity of feed grains eligible to be placed under loan may not exceed the product obtained by multiplying—

(A) the individual farm program acreage for the crop; by

(B) the farm program payment yield established for the farm.

(4) Payment rate.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan level determined for such crop under subsection (a); exceeds

(B) the level at which a loan may be repaid under subsection (a).

(c) Deficiency Payments.—(1) In general—(A) Computation.—The Secretary shall make available to producers payments (to be known as "deficiency payments") for each of the 1991 through 1995 crops of corn, grain sorghum, oats, and barley in an amount computed by multiplying—

(i) the payment rate; by

(ii) the individual farm program acreage for the crop; by

(iii) the farm program payment yield for the crop for the farm.

(B) 0/92 program.—(i) If an acreage limitation program under subsection (f)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the permitted feed grain acreage of

the farm (as determined in accordance with subsection (f)(2)(A)) equal to more than 8 percent of the permitted feed grain acreage of the farm for the crop to conservation uses (except as provided in subparagraph (H))—

(I) such portion of the permitted feed grain acreage of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (H)) shall be considered to be planted to feed grains for the purpose of determining the individual farm program acreage in accordance with subsection (f)(2)(G) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (f)(2)(E); and

(II) the producers shall be eligible for payments under this paragraph on such acreage.

(ii) Notwithstanding any other provision of this section, any producer who elects to devote all or a portion of the permitted feed grain acreage of the farm to conservation uses (or other uses as provided in subparagraph (H)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to feed grains and eligible for payments under this subparagraph for such crop at a per-bushel rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the corp, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which feed grain producers may agree to participate in the program for such crop.

(iii) The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total amount of feed grain acreage that may be taken out of production under this subparagraph, taking into consideration the total amount of feed grain acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the amount of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during such crop year.

(iv) The feed grain crop acreage base and feed grain program payment yield of the farm shall not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (H)).

(v) Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

(vi) Any acreage considered to be planted to feed grains in accordance with clause (i) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation, set-aside, or land diversion program requiring that the producers devote a specified acreage to conservation uses.

(C) PAYMENT RATE.—The payment rate for each crop of feed grains shall be the amount by which the established price for such crop of feed grains exceed the higher of—

(i) the national weighted average market price received by producers during the first 6 months of the marketing year for such crop, as determined by the Secretary; or

(ii) the loan level determined for such crop, prior to any adjustment made under subsection (a)(3) for the marketing year for such crop.

(D) COMPENSATION FOR SUPPORT LEVEL ADJUSTMENT.—(i) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for feed grains under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the deficiency payments for feed grains by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

(ii) In determining the payment rate, per bushel, for deficiency payments for a crop of feed grains under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of such crop of feed grains, received by producers during the marketing year for such crop, as determined by the Secretary.

(E) ESTABLISHED FOR CORN.—

(i) MINIMUM PRICE.—The established price for corn shall not be less than $2.75 per bushel.

(ii) ESTABLISHED PRICE INCREASE FOR FEED GRAINS.—If in any crop year the Secretary announces an acreage limitation program under subsection (f)(2) or a set-aside program under subsection (f)(3) for farms under which the percentage reduction or set aside for a crop of feed grains is in excess of 15 percent, then the established price for such crop shall be increased by an amount not less than 2.55 percent of the established price for such crop for each 2.5 percent incremental increase of such percentage reduction or set-aside in excess of 15 percent.

(F) ESTABLISHED PRICE FOR OTHER FEED GRAINS.—(i) The established price for grain sorghum shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but not less than $1.45 per bushel.

(iii) The established price for barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley, and provided that the ratio of such established price for barley shall not be less than 85.8 percent of the established price for corn.

(G) REDUCTION FOR DISASTER PAYMENTS.—The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

(H) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, saf-

flower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

(I)(i) TARGET OPTION PROGRAM.—Subject to clauses (ii) and (iii), if an acreage limitation program under subsection (f)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the permitted feed grain acreage of the farm (as determined in accordance with subsection (f)(2)(A)) to conservation uses, the producers shall be eligible for an increase of up to one percent in the established price of the crop of feed grains, on the acreage on the farm actually planted to feed grains, for each one percent of the permitted feed grain acreage of the farm devoted to conservation uses.

(ii) The portion of permitted feed grain acreage of the farm devoted to conservation uses under clause (i) shall not exceed 10 percent of the crop acreage base of the farm.

(iii) Such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producer would be eligible to receive under section 105 A(C)(1)(B).

(iv) The feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses.

(J)(i) BARLEY CALCULATIONS.—The Secretary shall, for purposes of determining the payment rate for barley under subparagraphs (C)(i) and (D)(ii), use the national weighted average market price received by producers of barley sold primarily for feed purposes.

(ii)(I) In the case of the 1991 crop of barley, the Secretary shall, for purposes of determining any advance deficiency payment made to the producers of barley under section 107C, use the national weighted average market price received by producers for all barley, as determined by the Secretary.

(II) In implementing this subsection, the Secretary shall ensure that producers of the 1991 crop of barley, notwithstanding the method of calculation or the amount of the advance deficiency payment, shall be equal to receive the total amount of payments as calculated under clause (i).

(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any

portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

(I) the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

(II) 75 percent of the farm program payment yield established by the Secretary; by

(III) a payment rate equal to 33⅓ percent of the established price for the crop.

(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or from stocks of feed grains held by the commodity Credit Corporation.

(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the feed grain acreage of the producers; or

(ii) reduce yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the feed grain acreage of the producers.

(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crops or from reduced yields;

(II) such losses have created an economic emergency for the producers;

(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such

producers for such losses are insufficient to alleviate such economic emergency; and

(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

(d) NATIONAL PROGRAM ACREAGE.—(1) IN GENERAL.—(A) PROCLAMATION.—Except for a crop with respect to which there is an acreage limitation program in effect under subsection (f), the Secretary shall proclaim a national program acreage for each of the 1991 through 1995 crops of feed grains. The proclamation shall be made not later than September 30 of each calendar year for the crop harvested in the next succeeding calendar year.

(B) REVISION.—The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as such revision is made.

(C) AMOUNT OF ACREAGE.—The national program acreage for feed grains shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

(D) ADJUSTMENT FOR CARRYOVER.—If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

(E) INAPPLICABILITY TO OATS.—This subsection shall not apply to the 1991 through 1995 crops of oats.

(2) PROGRAM ALLOCATION FACTOR.—The Secretary shall determine a program allocation factor for each crop of feed grains, if the Secretary proclaim a national program acreage for such crop. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 percent nor less than 80 percent.

(3) FARM PROGRAM ACREAGE.—(A) DETERMINATION.—Except as provided in subsection (f)(2), the individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined.

(B) LIMITATION ON REDUCTION.—The individual farm program acreage shall not be further reduced by application of the allocation

factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the crop acreage base established for the farm under title V by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

(C) FAIR AND EQUITABLE TREATMENT.—The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the crop acreage base established for the farm under title V, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

(D) ADJUSTMENT FOR EXEMPTIONS.—In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

(e) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of feed grains shall be determined under title V.

(f) PROGRAMS TO REDUCE ACREAGE.—(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—(i) Notwithstanding any other provision of this Act, except as provided in subparagraphs (B) through (D), if the Secretary determines that the total supply of feed grains, in the absence of an acreage limitation or set-aside program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of feed grains either an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

(ii) In making a determination under clause (i), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

(iii) If the Secretary elects to put either of such programs into effect for any crop year, the Secretary shall announce any such program not later than September 30 prior to the calendar year in which the crop is harvested.

(iv) Not later than November 15 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in an announcement made under clause (iii) if the Secretary determines that there has been a significant change in the total supply of feed grains since the program was first announced.

(B) AMOUNT OF ACREAGE REDUCTION.—In the case of each of the 1991 through 1995 crops of feed grains, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total use of corn for the preceding marketing year will be—

(i) more than 25 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 12.5 percent nor more than 20 percent; or

(ii) 25 percent or less, the Secretary may provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm

would be limited to the feed grain crop acreage base for the farm for the crop reduced by not more than 12.5 percent.

(C) Condition for eligibility for feed grains.—As a condition of eligibility for loans, purchases, and payments for any such crop of feed grains, except as provided in subsection (g), the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, the land diversion program, as provided in paragraph (5).

(D) Condition for eligibility for oats.—Except as provided in paragraph (9), as a condition of eligibility for loans, purchases, and payments for the 1991 through 1995 crop of oats, the producers of oats on a farm may not plant oats in excess of the crop acreage base for the farm.

(2) Acreage limitation program—(A) Uniform percentage.—If a feed grain acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction to the feed grain crop acreage base for the crop for each feed grain-producing farm.

(B) Enforcement.—Except as provided in subsection (g), producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm.

(C) Exception for malting barley.—The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley for harvest, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe.

(D) Feed grain crop acreage base.—Feed grain crop acreage bases for each crop of feed grains shall be determined under title V.

(E) Determination of conservation use acreage.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres planted to such commodity; by

(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

(ii) The number of acres so determined is hereafter in this subsection referred to as "reduced acreage".

(F) Inapplicability of national program acreage.—If an acreage limitation program is announced under paragraph (1) for a crop of feed grains, subsection (d) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop.

(G) Individual farm program acreage.—Except as otherwise provided in subsection (c)(1)(B) and (c)(1)(I), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

(H) Limitation on oats acreage reduction.—In the case of the 1991 through 1995 crops of oats, the Secretary—

(i) shall not establish a percentage reduction in accordance with paragraph (1) in excess of 5 percent, unless the Secretary determines that the supply of oats will be excessive without a greater percentage reduction than 5 percent; and

(ii) may establish a percentage reduction for oats in accordance with paragraph (1) of less than 5 percent. If the Secretary does not establish a percentage reduction requirement for oats, the Secretary shall ensure that the crop acreage bases established for the farm and the farm acreage base are not increased as a result of this clause.

(3) SET-ASIDE REQUIRED—(A) IN GENERAL.—If a set-aside program is announced under paragraph (1), as a condition of eligibility for loans, purchases, and payments for feed grains authorized by this Act (except as provided in subsection (g)), the producers on a farm shall—

(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect; and

(ii) otherwise comply with the terms of such program.

(B) CONSERVATION USE REQUIRED.—The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

(C) UNIFORM ACREAGE LIMITATION.—If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms.

(D) ADJUSTMENTS TO SET-ASIDE.—The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary—

(i) to correct for abnormal factors affecting production; and

(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

(4) USE OF CONSERVATION ACREAGE—(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all of any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodities, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

(C) HAYING AND GRAZING.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B) or subsection (c)(1)(I)), set-aside program, or

land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

(D) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

(5) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

(6) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

(B) WILDLIFE USE COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

(C) CONSERVATION COST SHARING.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage.

(D) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensaton, access to all or such portion of the farm, as the Secre-

tary may prescribe, by the general public, for hunting, trapping, fishing, and hiking subject to applicable State and Federal regulations.

(7) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

(8) BUSHEL PRODUCTION TARGETS.—Notwithstanding the foregoing provisions of this subsection, in carrying out the program conducted under this subsection, the Secretary may prescribe production targets for participating farms expressed in bushels of production so that all participating farms achieve the same pro rata reduction in production as prescribed by the national production targets.

(9)(A) In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats the Secretary, notwithstanding the foregoing provisions of this subsection—

(i) shall, subject to subparagraph (B), provide that any reduced acreage and set-aside acreage may be planted to oats for harvest;

(ii) may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under this title available to producers with respect to acreage planted to oats under this paragraph; and

(iii) shall not make program benefits other than the benefits specified in clause (ii) available to producers with respect to acreage planted to oats under this paragraph.

(B) LIMITATION.—(i) If the secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest under subparagraph (A) to an amount that will result in projected domestic production fulfilling projected domestic demand.

(ii) Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm.

(g) EXCEPTIONS TO PROGRAMS TO REDUCE ACREAGE.—(1) ONE-HALF ACREAGE REDUCTION PROGRAM—(A) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of corn, grain sorghum, oats, and barley, make payments available to producers who meet the requirements of this paragraph.

(B) FORM OF PAYMENT.—Such payments shall be—

(i) made in the form of such feed grains, respectively, owned by the Commodity Credit Corporation; and

(ii) subject to the availability of such feed grains.

(C) DETERMINATION OF PAYMENT.—(i) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

(ii) The quantity of feed grains to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

(D) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

(i) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

(ii) agrees to forgo receiving payments under subsection (c);

(iii) does not plant feed grains for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

(iv) otherwise complies with this section.

(2) ACRE-FOR-ACRE REDUCTION—(A) IN GENERAL.—The Secretary may permit producers on a farm to plant feed grains on a portion of the acreage otherwise required to be devoted to conservation uses under subsection (f) if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments under subsection (c)(1)(A)(ii).

(B) LIMITATION.—If the Secretary exercises the authority provided under subparagraph (A), then the Secretary shall implement this paragraph in such a manner that no greater outlays by the Commodity Credit Corporation result from its implementation.

(C) BASES AND YIELDS UNAFFECTED.—The feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to feed grains as authorized under this subparagraph.

(h) EQUITABLE RELIEF.—(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

(l) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any

farm among the producers on the farm on a fair and equitable basis.

(m) TENANTS AND SHARECROPPERS.—*The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.*

(n) PROHIBITION—*(1)* CROSS COMPLIANCE.—*(A)* IN GENERAL.—*Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.*

(B) CROP ACREAGE BASE INCREASES.—*If a producer on a farm is participating in the feed grains program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—*

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

(2) OFFSETTING COMPLIANCE.—*The Secretary may not require producers on a farm, as a condition of eligiblity for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the feed grains program with respect to any other farm operated by such producers.*

* * * * * * *

SEC. 107A. ANNUAL PROGRAM FOR 1991 THROUGH 1995 CROPS OF WHEAT.

(a) LOANS AND PURCHASES.—*(1)* IN GENERAL.—*Except as provided in paragraphs (2), (3), and (4), the Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of wheat at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.*

(2) MINIMUM LOAN AND PURCHASE LEVEL.—*(A)* 1991 CROP TRANSITION RULE.—*From June 1, 1991 to September 30, 1991, the loan and purchase level for the 1991 crop of wheat shall be not less than $1.93 per bushel. Beginning October 1, 1991, the Secretary shall make available to producers who pledged 1991 crop wheat as collateral for a price support loan, or whose 1991 crop wheat was purchased by the Secretary, at the $1.93 level an increase in the loan or purchase amount such that the loan and purchase level is equal to the level described in subparagraph (B).*

(B) 1991 THROUGH 1995 CROPS.—*Except as provided in subparagraph A and paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be*

reduced by more than 5 percent from the level determined for the preceding crop.

(3) ADJUSTMENTS TO SUPPORT LEVEL.—(A) STOCKS TO USE RATIO.— If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 10 percent.

(ii) or less than 30 percent but not less than 15 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 5 percent.

(iii) less than 15 percent, the Secretary may not reduce the loan and purchase level for wheat for the corresponding.

(B) REPORT TO CONGRESS.—(i) If the Secretary adjusts the level of loans and purchases for wheat under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

(I) certifying such adjustment as necessary to prevent the build-up of stocks and to retain market share; and

(II) containing a description of the need for such adjustment.

(ii) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

(C) COMPETITIVE POSITION.—Notwithstanding the provisions of subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 5 percent in any year.

(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for wheat under this paragraph shall not be considered in determining the loan and purchase level for wheat for subsequent years.

(4) MARKETING LOAN.—(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

(i) the loan level determined for such crop; or

(ii) the higher of—

(I) 70 percent of such level;

(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

(III) the prevailing world market price for wheat, as determined by the Secretary.

(B) WORLD PRICE FORMULA.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

(i) a formula to define the prevailing world market price for wheat; and

(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wheat.

(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the Secretary in determining the simple average price received by producers for the immediately preceding marketing year shall use the latest information available to the Secretary at the time of the determination.

(b) PAYMENTS FOR FORGOING LOAN OR PURCHASE.—(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

(A) the loan payment rate; by

(B) the quantity of wheat the producer is eligible to place under loan.

(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of wheat eligible to be placed under loan may not exceed the product obtained by multiplying—

(A) the individual farm program acreage for the crop; by

(B) the farm program payment yield established for the farm.

(4) PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan level determined for such crop under subsection (a); exceeds

(B) the level at which a loan may be repaid under subsection (a).

(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments to be known as "deficiency payments" for each of the 1991 through 1995 crops of wheat in an amount computed by multiplying—

(i) the payment rate; by

(ii) the individual farm program acreage for the crop; by

(iii) the farm program payment yield for the crop for the farm.

(B) 0/92 PROGRAM.—(i) If an acreage limitation program under subsection (f)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the permitted wheat acreage of the farm (as determined in accordance with subsection (f)(2)(A)) equal to more than 8 percent of the permitted what acreage of the farm for the crop to conservation uses (except as provided in subparagraph (G))—

(I) such portion of the permitted wheat acreage of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (G)) shall be considered to be planted to wheat for the purpose of determining the individual farm program acreage in accordance with subsection (f)(2)(F) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (f)(2)(D); and

(II) the producers shall be eligible for payments under this paragraph on such acreage.

(ii) Notwithstanding any other provision of this section, any producer who elects to devote all or a portion of the permitted wheat acreage of the farm to conservation uses (or other uses as provided

in subparagraph (G)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to wheat and eligible for payments under this subparagraph for such crop at a per-bushel rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which wheat producers may agree to participate in the program for such crop.

(iii) The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total amount of wheat acreage that may be taken out of production under this subparagraph, taking into consideration the total amount of wheat acreage that has or will be moved from production under other price support, production adjustment, or conservation program activities. No restrictions on the amount of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during such crop year.

(iv) The wheat crop acreage base and wheat farm program payment yield of the farm shall not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (G)).

(v) Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

(vi) Any acreage considered to be planted to wheat in accordance with clause (i) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under an acreage limitation, set-aside, or land diversion program requiring that the producers devote a specified acreage to conservation uses.

(C) PAYMENT RATE.—The payment rate for wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

(i) the national weighted average market price received by producers during the first 6 months of the marketing year for such crop, as determined by the Secretary; or

(ii) the loan level determined for such crop, prior to any adjustment made under subsection (a)(3) for the marketing year for such crop of wheat.

(D) COMPENSATION FOR SUPPORT LEVEL ADJUSTMENT.—(i) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

(ii) In determining the payment rate, per bushel, for payments for a crop of wheat under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of wheat, received by producers during the marketing year for such crop, as determined by the Secretary.

(iii) Notwithstanding any other provision of this Act the Secretary shall—

(I) by December 1 of the marketing year for the crop estimate the national weighted average market price, per bushel of wheat, received by producers during such marketing year;

(II) by December 15 of such marketing year use the estimate to make available to producers who have elected the payment option authorized by this clause not less than 75 percent of the increase in payments estimated to be payable with respect to such crop under this subparagraph; and

(III) adjust the amount of each final payment for wheat to reflect any difference between the amount of any estimated payment due under this subparagraph.

(iv) Producers shall elect the payment option authorized by clause (iii) at the time of entering into a contract to participate in the program established by this section for the crop.

(E)(i) MINIMUM ESTABLISHED PRICE.—The established price for wheat shall not be less than $4 per bushel.

(ii) ESTABLISHED PRICE INCREASE.—If in any crop year the Secretary announces an acreage limitation program under subsection (H)(2) or a set-aside program under subsection (F)(3) for farms under which the percentage reduction or set-aside is in excess of 7.5 percent (10 percent in the case of the 1994 and 1995 crops), then the established price for such crop shall be increased by an amount not less than 2.55 percent of the established price for such crop for each 2.5 percent incremental increase of such percentage reduction or set aside in excess of 7.5 percent (10 percent in the case of the 1994 and 1995 crops).

(F) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of wheat on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

(G) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of the United States industry.

(H)(i) TARGET OPTION PROGRAM.—Subject to clauses (ii) and (iii), if an acreage limitation program under subsection (f)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the permitted wheat acreage of the farm (as determined in accordance with subsection (f)(2)(A)) to conservation uses, the producers shall be eligible for an increase of up to one percent in the established price of wheat, on the acreage on the farm actually planted to wheat, for each one percent of the permitted wheat acreage of the farm devoted to conservation uses.

(ii) The portion of permitted wheat acreage of the farm devoted to conservation uses under clause (i) shall not exceed 10 percent of the crop acreage base of the farm.

(iii) Such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producers would be eligible to receive under section 107A(c)(1)(B).

(iv) The wheat crop acreage base and the wheat farm program payment yield for the farm may not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses.

(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

(I) the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

(II) 75 percent of the farm program payment yield established by the Secretary; by

(III) a payment rate equal to 33⅓ percent of the average of the established prices for the crop.

(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or from stocks of wheat held by the Commodity Credit Corporation.

(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secre-

tary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the wheat acreage of the producers; or

(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the wheat acreage of the producers.

(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crops or from reduced yields;

(II) such losses have created an economic emergency for the producers;

(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

(d) NATIONAL PROGRAM ACREAGE.—(1) IN GENERAL.—(A) PROCLAMATION.—Except for a crop with respect to which there is an acreage limitation program in effect under subsection (f), the Secretary shall proclaim a national program acreage. The proclamation shall be made not later than June 1 of each calendar year for the crop harvested in the next succeeding calendar year.

(B) REVISION.—The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as such revision is made.

(C) AMOUNT OF ACREAGE.—The national program acreage for wheat shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is

made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

(D) ADJUSTMENT FOR CARRYOVER.—If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

(2) PROGRAM ALLOCATION FACTOR.—The Secretary shall determine a program allocation factor for each crop of wheat, if the Secretary proclaims a national program acreage for such crop. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 percent nor less than 80 percent.

(3) FARM PROGRAM ACREAGE.—(A) DETERMINATION.—Except as provided in subsection (f)(2), the individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined.

(B) LIMITATION ON REDUCTION.—The individual farm program acreage shall not be further reduced by application of the allocation factor if the producers on a farm reduce the acreage of wheat planted for harvest on the farm from the crop acreage base established for the farm under title V by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

(C) FAIR AND EQUITABLE TREATMENT.—The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the crop acreage base established for the farm under title V, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

(D) ADJUSTMENT FOR EXEMPTIONS.—In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

(e) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of wheat shall be determined under title V.

(f) PROGRAMS TO REDUCE ACREAGE—.(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—(i) Notwithstanding any other provision of this Act, except as provided in subparagraphs (B) and (C), if the Secretary determines that the total supply of wheat, in the absence of an acreage limitation or set-aside program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of wheat either an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

(ii) In making a determination under clause (i), the Secretary shall take into consideration the number of acres placed in the con-

servation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

(iii) If the Secretary elects to put either of such programs into effect for any crop year, the Secretary shall announce any such program not later than June 1 prior to the calendar year in which the crop is harvested.

(iv) Not later than July 31 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in the program announced under clause (iii) if the Secretary determines that there has been a significant change in the total supply of wheat since the program was first announced.

(B) AMOUNT OF ACREAGE LIMITATION.—In the case of each of the 1991 through 1995 crops of wheat, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of wheat to total use of wheat for the marketing year will be—

(i) more than 40 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not less than 20 percent nor more than 30 percent; or

(ii) equal to or less than 40 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not more than 20 percent.

(C) CONDITION FOR ELIGIBILITY.—As a condition of eligibility for loans, purchases, and payments for any such crop of wheat, except as provided in subsection (g), the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, any land diversion program, as provided in paragraph (5).

(2) ACREAGE LIMITATION PROGRAM.—(A) UNIFORM PERCENTAGE.—If a wheat acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction to the wheat crop acreage base for the crop for each wheat-producing farm.

(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm.

(C) WHEAT CROP ACREAGE BASE.—Wheat crop acreage bases for each crop of wheat shall be determined under title V.

(D) DETERMINATION OF CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres planted to such commodity; by

(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

(ii) The number of acres so determined is hereafter in this subsection refered to as "reduced acreage".

(E) Inapplicability of national program acreage.—If an acreage limitation program is announced under paragraph (1) for a crop of wheat, subsection (d) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop.

(F) Individual farm program acreage.—Except as otherwise provided in subsections (c)(1)(B) and (c)(1)(H), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

(3) Set-Aside program.—(A) In general.—If a set-aside program is announced under paragraph (1), as a condition of eligibility for loans, purchases, and payments for wheat authorized by this Act (except as provided in subsection (g)), the producers on a farm shall—

(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop for which the set-aside is in effect; and

(ii) otherwise comply with the terms of such program.

(B) Conservation use required.—The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

(C) Uniform acreage limitation.—If a set-aside program is established, the Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms.

(D) Adjustments to set-aside.—The Secretary may make such adjustments in individual set-aside acreages under this paragraph as the Secretary determines necessary—

(i) to correct for abnormal factors affecting production; and

(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

(4) Use of conservation acreage.—(A) Protection from weeds and erosion.—The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

(B) Permitted plantings.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

(C) Haying and grazing.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B) or subsection (c)(1)(H)), set-aside program,

or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

(D) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

(5) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation or set-aside program for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county so as not to affect adversely the economy of the country.

(6) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

(B) WILDLIFE USE COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

(C) CONSERVATION COST SHARING.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage.

(D) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secre-

tary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

(7) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

(8) BUSHEL PRODUCTION TARGETS.—Notwithstanding the foregoing provisions of this subsection, in carrying out the program conducted under this subsection, the Secretary may prescribe production targets for participating farms expressed in bushels of production so that all participating farm achieve the same pro rata reduction in production as prescribed by the national production targets.

(9) SPECIAL OATS PLANTINGS.—(A) IN GENERAL.—In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats the Secretary, notwithstanding the foregoing provisions of this subection—

(i) shall, subject to subparagraph (B), provide that any reduced acreage and set-aside acreage may be planted to oats for harvest;

(ii) may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under section 105A available to producers with respect to acreage planted to oats under this paragraph; and

(iii) shall not make program benefits other than the benefits specified in clause (ii) available to producers with respect to acreage planted to oats under this paragraph.

(B) LIMITATION.—(i) If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest under subparagraph (A) to an amount that will result in projected domestic production fulfilling projected domestic demand.

(ii) Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm.

(g) EXCEPTIONS TO PROGRAMS TO REDUCE ACREAGE.—(1) One-half acreage reduction program.—(A) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who meet the requirements of this paragraph.

(B) FORM OF PAYMENT.—Such payments shall be—

(i) made in the form of wheat owned by the Commodity Credit Corporation; and

(ii) subject to the availability of such wheat.

(C) DETERMINATION OF PAYMENT.—(i) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

(ii) The quantity of wheat to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

(D) ELIGIBILITY.—A product shall be eligible to receive a payment under this subsection for a crop if the producer—

(i) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

(ii) agrees to forgo receiving payments under subsection (c);

(iii) does not plant wheat for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

(iv) otherwise complies with this section.

(2) ACRE-FOR-ACRE REDUCTION.—(A) IN GENERAL.—The Secretary may permit producers on a farm to plant wheat on a portion of the acreage otherwise required to be devoted to conservation uses under subsection (f) if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments under subsection (c)(1)(A)(ii).

(B) LIMITATION.—If the Secretary exercises the authority provided under subparagraph (A), then the Secretary shall implement this paragraph in such a manner that no greater outlays by the Commodity Credit Corporation result from its implementation.

(C) BASES AND YIELDS UNAFFECTED.—The wheat crop acreage base and the wheat farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to wheat as authorized under this subparagraph.

(h) EQUITABLE RELIEF.—(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the programs conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

(l) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any

farm among the producers on the farm on a fair and equitable basis.

(m) Tenants and Sharecroppers.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(n) Prohibitions.—(1) Cross compliance.—(A) In general.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

(B) Base Increases.—If a producer on a farm is participating in the wheat program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

(2) Offsetting compliance.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the wheat program with respect to any other farm operated by such producers.

* * * * * * *

[Sec. 107C. (a)(1) If the Secretary establishes an acreage limitation or set-aside program for any of the 1988 through 1990 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary shall make advance deficiency payments available to producers for each of such crops.

[(2) Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

[(A) Such payments may be made available in the form of—

[(i) cash;

[(ii) commodities owned by the Commodity Credit Corporation and negotiable certificates redeemable in a commodity owned by the Commodity Credit Corporation, except that not more than 50 percent of such payments may be made in commodities or such certificates in the case of any producer; or

[(iii) any combination of clauses (i) and (ii).

[(B) If payments are made available to producers as provided for under subparagraph (A)(ii), such producers may elect to receive such payments either in the form of—

[(i) such commodities; or

[(ii) such certificates.

[(C) Such a certificate shall be redeemable for a period not to exceed 3 years from the date such certificate is issued.

[(D) The Commodity Credit Corporation shall pay the cost of storing a commodity that may be received under such a certificate until such time as the certificate is redeemed.

[(E) Such payment shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

[(F) Such payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying—

[(i) the estimated farm program acreage for the crop, by

[(ii) the farm program payment yield for the crop, by

[(ii)(I) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate; and

[(II) in the case of rice and upland cotton, not less than 30 percent, nor more than 50 percent, of the projected payment rate,

as determined by the Secretary.

[(G) If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection (taking into consideration any reduction in the payment made many section 425), the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

[(H) If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received such advance payments shall refund such payments.

[(I) Any refund required under subparagraph (G) or (H) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

[(J) If a producer fails to comply with requirements established under the acreage limitations or set-aside program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

[(3) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

[(4) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

[(5) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.

[(b) If the Secretary makes land diversion payments under this Act to assist in adjusting the total national acreage of any of the 1986 through 1990 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary may make at least 50 percent of such payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for such payments.]

SEC. 107C. (a)(1) If the Secretary establishes an acreage limitation or set-aside program for only of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary shall make advance deficiency payments available to producers for each of such crops.

(2) Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

(A) Such payments may be made available in the form of—

(i) cash;

(ii) commodities owned by the Commodity Credit Corporation and negotiable certificates redeemable in a commodity owned by the Commodity Credit Corporation, except that not more than 50 percent of such payments may be made in commodities or such certificates in the case of any producer; or

(iii) any combination of clauses (i) and (ii).

(B) If payments are made available to producers as provided for under subparagraph (A)(ii), such producers may elect to receive such payment either in the form of—

(i) such commodities; or

(ii) such certificates.

(C) Such a certificate shall be redeemable for a period not to exceed 3 years from the date such certificate is issued.

(D) The Commodity Credit Corporation shall pay the cost of storing a commodity that may be received under such a certificate until such time as the certificate is redeemed.

(E) Such payments shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

(F) Such payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may be exceed an amount determined by multiplying—

(i) the estimated farm program acreage for this crop, by

(ii) the farm program payment yield for the crop, by

(iii)(I) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate; and

(II) in the case of rice and upland cotton, not less than 30 percent, nor more than 50 percent, of the projected payment rate,

as determined by the Secretary.

(G) If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection, the producers shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

(H) If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received such advance payments shall refund such payments.

(I) Any refund required under subparagraph (G) or (H) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

(J) If a producer fails to comply with requirements established under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

(3) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

(4) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

(5) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.

(b) If the Secretary makes land diversion payments under this Act to assist in adjusting the total national acreage of any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary may make at least 50 percent of such payment available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for such payments.

SEC. 107E. (a) * * *

(b) The Secretary may make in-kind payments—

(1) by delivery of the commodity to the producer at a warehouse or other similar facility, and determined by the Secretary;

(2) by the transfer of negotiable warehouse receipts;

(3) by the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for a commodity in accordance with regulations prescribed by the Secretary *which shall enable any subsequent holders of such certificates to redeem such certificates under the same rules that apply to original holders of such certificates*; or

* * * * * * *

(c) In the case of the annual programs for wheat or feed grains, if the Secretary makes in-kind payments available to producers for any payment under any such program, the Secretary shall also permit producers to elect to receive such payment in cash instead of in the form of an in-kind payment.

* * * * * * *

SEC. 107G. PROCEDURES FOR DISPOSITION OF STOCKS.

(a) IN GENERAL.—The Commodity Credit Corporation shall, by rule, establish procedures for the exchange of certificates issued by the Commodity Credit Corporation for commodities or funds of the Commodity Credit Corporation, including any procedures to be used

by the Commodity Credit Corporation to determine the value of any such commodities.

(b) Advance Announcement.—As soon a practicable before the marketing year or season for each commodity for which there is an annual program in effect under this Act, the Secretary shall announce the anticipated stock disposition actions with respect to the exchange of commodity certificates for commodities owned by the Commodity Credit Corporation (and reasons therefor) for that commodity for the marketing year or season.

(c) Announcement of Rationale and Goals.—Whenever the Secretary decides to make payments to producers participating in annual programs under this Act using marketing certificates, the Secretary shall announce the rationale for such decision and the goals for the levels of Commodity Credit Corporation stocks.

(d) Repayment in Certificates.—Whenever the Secretary decides to make payments to producers participating in annual programs under this Act using marketing certificates, the Secretary shall allow producers to make any refund of those payments by using such certificiates.

PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS OF PEANUTS

Sec. 108A. (a)(1) The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1991 through 1995 crops.

(2) The national average quota support rate for each of the 1991 through 1995 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 6 percent the national average quota support rate for the preceding crop.

(3) The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(4) The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403.

(5) The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(b)(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1991 through 1995 crops at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts.

(2) The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(c)(1)(A) In carrying out subsection (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.60 of title 7 of the Code of Federal Regulations (January 1, 1985)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

(B) Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

(C) Loans made under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

(2)(A) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing such pools.

(B) Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(ii) For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i).

(d) Notwithstanding any other provision of this section:

(1) Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

(2)(A) The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool under section 358(m)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(m)(10)).

(B) Losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358(m)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(m)(10)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(e) Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(o) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(o).

* * * * * * *

PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS

SEC. 110. (a) [The Secretary shall formulate and administer a program under which producers of wheat and feed gains will be able to store wheat and feed grains when such commodities are in abundant supply, extend the time period for their orderly marketing, and provide for adequate, but not excessive, carryover stocks to ensure a reliable supply of the commodities.] *If the Secretary estimates for any marketing year that the ratio of ending stocks to total use for the marketing year for wheat will be more than 40 percent or for corn will be more than 25 percent, the Secretary shall formulate and administer a program under which producers of wheat or feed grains, respectively, will be able to store wheat or feed grains to extend the time period for their orderly marketing and to provide for adequate, but not excessive, carryover stocks to ensure a reliable supply of the commodities.* The Secretary shall establish safeguards to assure that wheat and feed grains held under the program shall not be utilized in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

(b) In carrying out the producer storage program, the Secretary shall provide original or extended price support loans for wheat and feed grains under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing when wheat or feed grains are in abundant supply. Loans made under this section shall be made at such level of support as the Secretary determines appropriate, except that the loan rate shall not be less than the then current level of support under the wheat and feed grain programs established under this title. Among such other terms and conditions as the Secretary may prescribe by regulation, the program may provide for (1) repayment of such loans [in not less than three years, with extensions as warranted by market conditions; (2)

payments to producers for storage in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program;] *in not less than 18 months, with one automatic 6-month extension upon the request of the producer, and further extensions at the discretion of the Secretary; (2) payments to producers for storage at rates determined by the Secretary to be equivalent to average rates paid for commercial storage in that State and to be paid at the end of each calendar quarter after the grain has been stored;* (3) a rate of interest as determined under subsection (c) of this section; [(4) recovery of amounts paid for storage, and for the payment of additional interest or other charges if such loans are repaid by producers when the total amount of wheat or feed grains in storage under programs under this section is below the upper limits for such storage as set forth in clauses (A) and (B) of subsection (e)(2) and the market price for wheat or feed grains is below the price levels determined under clause (5) of this sentence; and] *(4) producers to redeem such loans at their discretion* (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity has attained [the higher of 140 percent of the nonrecourse loan rate for the commodity or the established price for such commodity,] *150 percent of the nonrecourse loan rate,* as determined under title I. [Whenever—

[(A)(i) the total quantity of wheat stored under storage programs established under this section is less than 300 million bushels; or

[(ii) the total quantity of feed grains stored under storage programs established under this section is less than 450 million bushels; and

[(B) the market price of the commodity, as determined by the Secretary, does not exceed 140 percent of the nonrecourse loan rate for the commodity;

the Secretary shall encourage participation in the programs authorized under this section by offering producers increased storage payments and loan levels, interest waivers, or such other incentives as the Secretary determines necessary to maintain the total amount of storage under the programs at the levels specified in clauses (A) and (B).] The Secretary shall ensure that producers are afforded a fair and equitable opportunity to participate in each producer storage program, taking into account regional differences in the time of harvest.

(c) The rate of interest charged participants in the program authorized by this section shall be not less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest as the Secretary deems appropriate to effectuate the purposes of this section. The Secretary may increase the applicable rate of interest in such amounts and at such intervals as the Secretary determines is appropriate to encourage the orderly marketing of wheat and feed grains securing loans made under this section after the market price for the commodity has attained the level determined under clause (5) of the third sentence of subsection (b) of this section. *The Secretary may waive the repayment of principal or interest on loans made under this section if market conditions warrant.*

* * * * * * *

(e)(1) * * *

[(2) Prior to the harvet of each crop of wheat and feed grains, the Secretary shall determine and establish upper limits on the total quantity of wheat and feed grains that may be stored under storage programs established under this section to be effective during the marketing year for such crop, as follows:

[(A) The upper limit on the total quantity of wheat that may be stored under such programs shall not exceed 30 percent of the estimated total domestic and export usage of wheat during the marketing year for the crop of wheat, as determined by the Secretary.

[(B) The upper limit on the total quantity of feed grains that may be stored under such programs shall not exceed 15 percent of the estimated total domestic and export usage of feed grains during the marketing year for the crop, as determined by the Secretary.

[(C) Notwithstanding clauses (A) and (B), the Secretary may establish the upper limits at higher levels—not in excess of 110 percent of the levels determined under clauses (A) and (B)—if the Secretary determines that the higher limits are necessary to achieve the purposes of this section.]

(2)(A) The total quantity of wheat stored under storage programs established under this section shall not exceed 300 million bushels.

(B) The total quantity of feed grains stored under storage programs established under this section shall not exceed 600 million bushels.

* * * * * * *

(k) In announcing the terms and conditions of the producer storage program under subsection (e)(1), the Secretary shall review standards concerning the quality of grain that shall be allowed to be stored under the program, and such standards should encourage only quality grain, as determined by the Secretary, to be pledged as collateral for such loans. The Secretary shall review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of such grain.

* * * * * * *

[SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

[SEC. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105C or 107D for one or more of the 1986 through 1990 crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of the Federal Government. To carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modificationa and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.]

SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

SEC. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105A or 107A for one or more of the 1991 through 1995 crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of the Federal Government. To carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.

TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for tung nuts, *oilseeds, (including soybeans, sunflower, canola, rapeseed, safflower, flaxseed, and mustard seed),* sunflower seeds, [honey, and milk] *honey, milk, sugar beets, and sugarcane* as follows:

[(b)(1) For each of the 1986 through 1990 crops of honey, the price of honey shall be supported through loans, purchases, or other operations as follows:

[(A) For the 1986 crop, the loan and purchase level for honey shall be 64 cents per pound.

[(B) For the 1987 crop, the loan and purchase level for honey shall be 63 cents per pound.

[(C) For each of the 1988, 1989, and 1990 crop, the loan and purchase level for honey shall be the same as the level established for the preceding crop year reduced by 5 percent, except that such level may not be less than an amount equal to 75 percent of the simple average price received by producers of honey in the 5 preceding crop years, excluding the year in whcih the average price was the highest and the year in which the average price was the lowest in such period.

[(D) Notwithstanding the foregoing provisions of this paragraph, effective for each of the 1987 through 1990 crops, the loan and purchase level for honey that would otherwise apply under subparagraphs (B) and (C), without regard to this subparagraph, shall be reduced for loans and purchases made after the date of the enactment of this subparagraph by 2 cents per pound for the 1987 crop, ¾ cents per pound for the 1988 crop, ½ cent per pound for the 1989 crop, and ¼ cent per pound for the 1990 crop.

[(2) The Secretary may permit a producer to repay a loan made to the producer under this subsection for a crop at a level that is the lesser of—

[(A) the loan level determined for such crop; or

[(B) such level as the Secretary determines will—

[(i) minimize the number of loan forfeitures;

[(ii) not result in excessive total stocks of honey;

[(iii) reduce the costs incurred by the Federal Government in storing honey; and

[(iv) maintain the competitiveness of honey in domestic and export markets.

[(3)(A) If the Secretary determines that a person has knowingly pledged adulterated or imported honey as collateral to secure a loan made under this subsection, such person shall, in addition to any other penalties or sanctions prescribed by law be ineligible for a loan, purchase, or payment under this subsection for the 3 crop years succeeding such determination.

[(B) For purposes of subparagraph (A), honey shall be considered adulterated if—

[(i) any substance has been substituted wholly or in part for such honey;

[(ii) such honey contains a poisonous or deleterious substance that may render such honey injurious to health, except that in any case in which such substance is not added to such honey, such honey shall not be considered adulterated if the quantity of such substance in or on such honey does not ordinarily render if injurious to health; or

[(iii) such honey is for any other reason unsound, unhealthy, unwholesome, or otherwise unfit for human consumption.]

(b)(1) For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations at not less than 53.8 cents per pound.

(2) The Secretary may permit a producer to repay a loan made to the producer under this subsection for a corp at a level that is the lesser of—

(A) the loan level determined for such crop; or

(B) such level as the Secretary determines will—

(i) minimize the number of loan forfeitures;

(ii) not result in excessive total stocks of honey;

(iii) reduce the costs incurred by the Federal Government in storing honey; and

(iv) maintain the competitiveness of honey in the domestic and export markets.

(3)(A) If the Secretary determines that a person has knowingly pledged adulterated or imported honey as collateral to secure a loan made under this subsection, such person, in addition to any other penalty or sanction prescribed by law, shall be ineligible for a loan, purchase, or payment under this subsection for the 3 crop years succeeding such determination.

(B) For purposes of subparagraph (A), honey shall be considered adulterated if—

(i) any substance has been substituted wholly or in part for such honey;

(ii) such honey contains a poisonous or deleterious substance that may render such honey injurious to health, except that in any case in which such substance is not added to such honey, such honey shall not be considered adulterated if the quantity of such substance in or on such honey does not ordinarily render it injurious to health; or

(iii) for any other reason, such honey is unsound, unhealthy, unwholesome, or otherwise unfit for human consumption.

* * * * * * *

(e) Notwithstanding any other provision of law—

(1) During the period beginning on January 1, 1991 and ending on December 31, 1995, the price of milk shall be supported as provided in this subsection.

(2)(A) During the period beginning on January 1, 1991 and ending on December 31, 1995, the price of milk shall be supported at a rate not less than $10.10 per hundredweight for milk containing 3.67 percent milkfat.

(B)(i) The price of milk shall be supported through the purchase of milk and the products of milk.

(ii) The Commodity Credit Corporation price support for each of the products butter, cheese and nonfat dry milk, respectively, announced by the Corporation shall be the same for all of that product sold by persons offering to seel such product to the Corporation. Such purchase prices shall be sufficient to enable plants of average efficiency receiving such prices for dairy products to pay producers, on average, a price not less than the rate of price support for milk in effect during such twelve-month period under this paragraph.

(iii) In carrying out this section, the Secretary shall offer to purchase butter for not more than an amount per pound of $0.8150 in fiscal years 1991 through 1993, and $0.7875 in fiscal years 1994 and 1995, and shall offer to purchase nonfat dry milk at such a level that results in milk being supported at the level prescribed in subparagraph (A) as adjusted under paragraph (3), except that the Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in such other manner as the Secretary determines will result in the lowest level of expenditures by the Commodity Credit Corporation and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of such determination.

(3)(A)(i) If for any of the fiscal years 1992 through 1996, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will exceed 5 billion pounds, milk equivalent, total milk solids basis, the Secretary shall decrease by an amount per hundredweight of at least $0.25 but not more than $0.50 the rate of price support for milk in effect for such fiscal year.

(ii) The Secretary shall, by August 1 of the preceding fiscal year, notify the Committee on Agriculture of the House of Rep-

resentatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed decrease in price support under this subparagraph.

(B)(i) If for any of the fiscal years 1992 through 1996, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will not exceed 3.5 billion pounds, milk equivalent, total milk solids basis, the Secretary shall increase by an amount per hundredweight of at least $0.25 the rate of price support for milk in effect for such fiscal year.

(ii) The Secretary shall, by August 1 of the preceding fiscal year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed increase in price support under this subparagraph.

(C) If for any of the fiscal years 1992 through 1996, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will be less than 5 billion pounds, milk equivalent, total milk solids basis, but more than 3.5 billion pounds of milk equivalent, total milk solids basis, the Secretary shall not decrease the rate of price support for milk in effect for such fiscal year.

(D) Notwithstanding any other provision of this subsection, in no event shall the price of milk be supported at less than $10.10 per hundredweight.

(E)(i) As used in this subsection, the term "milk equivalent, total milk solids basis", of milk and the products of milk purchased by the Commodity Credit Corporation shall be equal to the weighted-average of the milk equivalents, as computed on a milkfat basis, and on a milk solids not fat basis, of such products, with weighting factors equal to not more than 40 percent for the milk equivalent, milkfat basis, and not more than 70 percent for the milk equivalent, milk solids not fat basis. Such weighting factors shall total 100 percent.

(ii) The Secretary shall issue a proposed rule defining "total milk solids basis" no later than 30 days after enactment of this subsection, shall provide notice and reasonable opportunity for public comment, and shall issue a final rule defining "total milk solids basis" not later than 90 days after enactment of this subsection.

(iii) In estimating the level of purchases of milk and the products of milk under this subsection, the Secretary shall deduct the amount, if any, by which the level of imports into the United States of milk and the products of milk during the most recent calendar year exceeds the annual average level of imports into the United States of milk and the products of milk during the period January 1, 1986, through December 31, 1990, milk equivalent, total milk solids basis.

(4)(A) Within 180 days of enactment of this subsection, the Secretary shall submit to the Committee on Agriculture of the

House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that—

(i) recommends an inventory management program to be implemented when Commodity Credit Corporation purchases of milk and the products of milk are projected to exceed 7 billion pounds of milk equivalent, total milk solids basis, in any fiscal year;

(ii) evaluates two-tier pricing systems, or a plan to achieve equivalent results;

(iii) does not evaluate any termination or diversion program;

(iv) does not evaluate the use of assessments as a mechanism to decrease price support levels; and

(v) seeks, among other things, methods to reduce any excessive surplus of milk, lower costs to the Commodity Credit Corporation, and to provide for the orderly marketing of surplus milk.

(B) The report submitted under subparagraph (A) shall include, but is not limited to, the following topics:

(i) the difficulties and possible resolutions associated with the disposition and orderly marketing of milk priced at a price lower than the world market price through various marketing channels including export markets and domestic donation feeding programs;

(ii) the establishment of a Class IV price for milk;

(iii) the impact of a Class IV system on the Federal milk marketing order system;

(iv) the impact of a system similar to the Class IV system on non-Federal milk marketing order milk; and

(v) plans to achieve desired results other than through a two-tiered pricing system.

(C)(i) If for any of the fiscal years 1992 through 1995, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary on August 1 of the preceding fiscal year, will exceed 7 billion pounds of milk equivalent, total milk solids basis, the Secretary shall, except as provided in clause (ii), implement for such fiscal year the inventory management program recommended in subparagraph (A).

(ii) The Secretary shall not implement the inventory management program recommended in subparagraph (A) before the later of January 1, 1992, or the date 6 months after the submission of the report required under subparagraph (A).

(iii) If the Secretary is required to implement during a fiscal year an inventory management program, the Secretary shall, by August 1 of the preceding fiscal year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the type of inventory management program to be implemented.

(iv) Not later than January 1 of any fiscal year that an inventory management program is in effect, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and

Forestry of the Senate a certification, including a statement of facts in support of such certification, that such inventory management program will achieve a reduction in the production or marketing of milk for commerical purposes by program participants such that purchases of milk and the products of milk by the Commodity Credit Corporation, as estimated by the Secretary, for the fiscal year will not be greater than 7 billion pounds, milk equivalent, total milk solids basis.

(D) If the Secretary is required to establish and carry out an inventory management program for milk, the Secretary shall not offer to enter into a contract with any producer of milk in the United States for the purpose of selling for slaughter any dairy cattle in which such producer owns an interest.

(g)(1)(A) The Secretary shall support the price of soybeans, sunflowers, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, through loans and purchases in each of the 1991 through 1995 marketing years as provided in this subsection.

(B) Except as provided in paragraph (2), the level of price support—

(i) in the case of the 1991 and 1992 crops of soybeans shall not be less than $5.25 per bushel; and

(ii) in the case of the 1991 through 1995 crops of sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, shall be set for each such oilseed at such level as the Secretary determines is fair and reasonable in relation to the level of price support available for soybeans, including any adjustment made pursuant to paragraph (2), but, except in the case of cottonseed, in no event less than the level established for soybeans on a per-pound basis for the same crop year.

(2) In the case of each of the 1993 through 1995 crops of soybeans and other oilseeds for which a price support program is in effect under this subsection, if the Secretary estimates for the marketing year for such crop that the ratio of ending stocks of soybeans or such other oilseeds to total use for the marketing year will be—

(A) more than 25 percent, the Secretary may reduce the level of price support determined under paragraph (1) (B) for soybeans or such other oilseeds for the marketing year by an amount not to exceed 5 percent in any year.

(B) more than 20 percent but not more than 25 percent, the Secretary may not reduce the level of price support determined under paragraph (1) (B) for soybeans or such other oilseeds for the marketing year.

(C) equal to or less than 20 percent, the Secretary shall increase the level of price support determined under paragraph (1) (B) for soybeans or such other oilseed for the marketing year by 5 percent in any year. In no case may the level of price support for the 1993 crop of soybeans be more than $5.40 per bushel.

Any change in the level of price support for soybeans or such other oilseed under this paragraph shall not be considered in determining such level of price support for subsequent years.

(3)(A) If the Secretary adjusts the level of price support for soybeans or other oilseeds under paragraph (2), the Secretary shall

submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

(i) certifying such adjustment as necessary to prevent the build-up of stocks or to encourage production; and

(ii) containing a description of the need for such adjustment.

(B) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

(4)(A) The Secretary shall permit a producer to repay a loan made under this subsection for any crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds that the Secretary may designate, at a level that is the lesser of—

(i) the loan level determined for such crop; or

(ii) the prevailing world market price for such crop, as determined by the Secretary.

(B) The Secretary shall prescribe by regulation—

(i) a formula to define the prevailing world market price for such crops; and

(ii) a mechanism by which the Secretary shall periodically announce the prevailing world market price for such crops.

(5)(A) The Secretary shall, for each of the 1991 through 1995 crops of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, make payments available to producers who, although eligible to obtain a loan under paragraph (1), agree to forgo obtaining such loan in return for such payments.

(B) A payment under this paragraph shall be computed by multiplying—

(i) the loan payment rate; by

(ii) the quantity of such crop that the producer is eligible to place under loan.

(C) For purposes of this paragraph, the quantity of such crops eligible to be placed under loan may not exceed the product obtained by multiplying—

(i) the individual farm acreage for such crops actually harvested; by

(ii) the actual yield per harvested acre established for the farm.

(D) For purposes of this paragraph, the loan payment rate shall be the amount by which—

(i) the loan level determined for such crop under paragraph (1) exceeds

(ii) the level at which a loan may be repaid under paragraph (40.

(E)(i) The Secretary may make payments under this subsection available in the form of certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation.

(ii) The Secretary shall make certificate available under clause (i) in such a manner so as to minimize the accumulation of oilseeds stocks.

(6) For purposes of this subsection, the marketing year for—

(A) soybeans, sunflower, or safflower is the 12-month period beginning on September 1 of the calendar year in which the crop of the commodity is harvested;

(B) canola and rapeseed is the 12-month period beginning on May 1 of the calendar year in which the crop of the commodity is harvested; and

(C) flaxseed, mustard seed, and any other oilseeds the Secretary may designate is such period as prescribed by the Secretary by regulation.

(7)(A) The Secretary shall make a preliminary announcement of the support price for each crop—

(i) of soybeans, sunflower, and safflower not later than November 1 preceding the beginning of the marketing year for the crop,

(ii) of canola and rapeseed not later than July 1 preceding the beginning of the marketing year for the crop, and

(iii) of flaxseed, mustard seed, and other oilseeds the Secretary may designate not later than 10 months preceding the beginning of the marketing year for such crop.

(B) The Secretary shall make a final announcement of the level of price support for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate not later than 30 days after the beginning of the marketing year for such crop. The final support price may not be less than the support price provided for in the preliminary announcement.

(8) Loans for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate shall be made available not earlier than the beginning of the marketing year for the crop and shall mature nine months from the date of the loan.

(9) Notwithstanding any other provision of law the Secretary may not require participation in any production adjustment program for any commodity as a condition of eligibility for price support under this subsection.

(h)(1) The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this subsection.

(2)(A) The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 18 cents per pound for raw cane sugar.

(B) The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

(C) If the Secretary makes a determination not to increase the support price under subparagraph (B), the Secretary shall submit a report containing the findings, decision, and supporting data for such determination to the Committee on Agriculture of the House of

Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(3) The Secretary shall support the price of each of the 1991 through 1995 crops of domestically grown sugar beets through nonrecourse loans at such level for each such crop as the Secretary determines to reflect—

(A) an amount that bears the same relation to the support level for such crop of sugarcane under paragraph (2) as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, expressed on a cents per pound basis for refined beet sugar and raw cane sugar, for the most recent 5 year period for which data are available, plus

(B) an amount that covers sugar beet processor fixed marketing expenses.

(4) The Secretary shall announce the loan rate to be applicable during any fiscal year under this subsection as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this subsection.

(5) Loans under this subsection during any fiscal year shall be made available not earlier than the beginning of such fiscal year and shall mature at the earlier of—

(A) the end of 9 months or

(B) before the end of such fiscal year.

(6) With respect to those sugar beet producing areas in which sugar beets normally are harvested during the last 3 months of a fiscal year, the Secretary shall make available, to each borrower under a loan made under this subsection during the last 3 months of the fiscal year on sugar processed from sugar beets so harvested, a supplementary nonrecourse loan in addition to the initial loan. In each case, the supplementary loan shall—

(A) be made available to the borrower as of the first day of the following fiscal year;

(B) be made at the same loan rate as the initial loan; and

(C) mature in 9 months less the amount of time that the initial loan was in effect.

* * * * * * *

(k)(1) If the [Secetary] *Secretary* determines that the producers on a farm are prevented from planting any portion of the acreage on the farm intended for peanuts, soybeans, sugar beets, or sugarcane to peanuts, soybeans, sugar beets, sugarcane, or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary may make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

(A) * * *

* * * * * * *

(2)*(A)* If the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of peanuts, soybeans, sugar beets, or sugarcane that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary may make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan and purchase level for the crop for the deficiency in production below 60 percent for the crop.

(B) If, because of frost, freeze, or related condition in 1989 constituting a major disaster or emergency declared by the President in the State of Louisiana under the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.), the total quantity of the 1990 crop of sugarcane that the producers are able to harvest on any farm is less than—

(1) 60 percent of the country average yield, as determined by the Secretary of Agriculture, for such crop, multiplied by

(2) the acreage planted for harvest to such crop,

the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan level for the crop for the deficiency in production greater than percent for the crop. The Secretary shall ensure that no producer receives duplicative payments under this subsection.

* * * * * * *

SEC. 202. As a means of increasing the utilization of dairy products, (including for purposes of this section, milk) upon the certification by the Administrator of Veterans' Affairs or by the Secretary of the Army, acting for the military departments under the Department of Defense's Single Service Purchase Assignment for Subsistence, or their duly authorized representatives that the usual quantities of dairy products have been purchased in the normal channels of trade—

(a) The Commodity Credit Corporation until December 31, **[**1990**]** *1995*, shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under this jurisdiction. The Administrator shall report every six months to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

(b) The Commodity Credit Corporation until December 31, **[**1990**]** *1995*, shall make available to the Secretary of the Army, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Secretary of the Army or his duly authorized representative certifies can be utilized in order to provide additional butter and cheese and other dairy products as a part of the ration (1) of the Army, Navy, Air Force, or Coast Guard, (2) in hospitals under the jurisdiction of the Department of Defense, and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy. The Secretary of the Army shall report every six months to the Committees on Agiculture of the Senate and the House of

Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

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[SEC. 203. Whenever the price of either cottonseed or soybeans is supported under this Act, the price of the other shall be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.]

SEC. 203. COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

If the Secretary determines that any oilseed program or programs cause, or are likely to cause, a reduction in prices received by producers for cottonseed or by processors for cottonseed oil, the Secretary shall take such actions as are necessary to offset the actual or anticipated impact of such program on prices for cottonseed or cottonseed oil. Such actions shall only include actions to stablized or increase the price of cottonseed, and shall not include actions to decrease the prices of other oilseeds.

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TITLE IV—MISCELLANEOUS

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[SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Beginning with me the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates for split grades and for full grades substantially reflecting relative values. In determining support prices for the 1966 and 1967 crops of rice the Secretary shall, notwithstanding the foregoing or any other provision of law, use head and broken rice value factors for the various varieties which (1) are not lower than those used with respect to the 1965 crop, and (2) do not differ as between any two varieties by a greater amount than the value factors used with respect to the 1965 crop for such two varieties differed. Beginning with the 1982 crop, the quality differences (premiums and discounts for grade, staple, and micronaire) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) the market differences for such crop in the nine designated United States spot markets. The Secretary shall establish a study committee of ten members, eight of whom shall be representatives of cotton producers selected to equally represent each of the four major geographic regions which produce and market upland cotton, one of whom shall be a representative of the textile manufacturers. The committee shall study alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that will accurately represent true relative market values and reflect actual market demand for upland cotton produced in the United States. The Committee shall submit the results of such study to the Secretary at the earliest practicable date together with such recommendations as the committee considers appropriate. The Secretary may, prior to the announcement of loan rate differences for the 1982 crop of upland cotton, review the procedures and criteria, including the recommendations made by the study committee and the formula provided in the fifth sentence of this section for determining quality differences, including the loan differentials for grade, staple, and micronaire for the upland cotton loan program and, on the basis of such review, revise such procedures and criteria to accurately reflect the actual market value of upland cotton produced in the United States. Notwithstanding the preceding provisions of this section, for each of the 1988 through 1990 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease such regional, State, or county loan rate from the level established for the previous year by more than the percentage change in the national average loan rate plus or minus 2 percent.]

SEC. 403. ADJUSTMENT OF SUPPORT PRICES.

(a) CROPS OTHER THAN COTTON.—Appropriate adjustments may be made in the support price for any commodity except cotton for differences in grade, type, quality, location and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors be equal to the level of support determined as provided in this Act.

(d) COTTON.—Appropriate adjustments may be made in the support price for cotton for differences in quality factors and location. Beginning with the 1991 crop, the quality differences (premiums and discounts for quality factors) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) market differences for such crop in the designated United States spot markets.

* * * * * * *

SEC. 406. (a) The Secretary shall, insofar as practicable, announce the level of price support for field corps in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis), but the level of price support so announced shall not exceed the estimated maximum level of price support specified in this Act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced.

(b)(1) Notwithstanding any other provision of this Act, the Secretary of Agriculture may offer an option to producers of the [1987 through 1991 crops of wheat, feed grains, upland cotton and rice] *1991 through 1995 crops of wheat and feed grains* with respect to participation in commodity price support, production adjustment, and payment programs as provided in this subsection.

(2) With respect to the 1987 through [1991] *1996* crops of wheat, feed grains, upland cotton, and rice, in any county in the United States, if the Secretary has not made final announcement of the terms of the commodity price support production adjustment, and payment program for wheat, feed grains, upland cotton, or rice on or before the later of—

(A) 60 days prior to the normal planting date of such commodity in such county, as determined by the Secretary; or

(B)[(1)] *(i)* in the case of wheat, June 1 of the calendar year prior to the crop year for which such program is announced; *and*

(ii) in the case of feed grains, September 30 of the calendar year prior to the crop year for which such program is announced;

[(iii) in the case of upland cotton, November 1 of the calendar year prior to the crop year for which such program is announced; and

[(iv) in the case of rice, January 31 of the calendar year that is the same as the crop year for which such program is announced,]

then the Secretary may permit producers of any such commodity in such county to elect to receive price support, payments, or other program benefits as provided in (I) the program announced for such commodity for the current crop year or (II) paragraph (3).

(3)(A)(i) The Secretary may permit producer eligible to make the election provided by this subsection to particiate in the program described in this paragraph or, at the discretion of the Secretary, the program announced for the commodity for the current crop year, by complying with the terms of the program announced for the preceding crop of the commodity.

(B)[(i) Except as provided in clause (ii),] *Effective for the 1992 through 1995 crops,* the Secretary may make available to producers of a commodity who exercise the election provided by this subsection and who comply fully with the terms and conditions of any acreage reduction program restablished for the preceding year's crop of the commodity—

(I) loans and purchases at the level established for the crop for which the election is made;

(II) deficiency payments calculated on the same basis as the deficiency payments which were calculated for the crop immediately preceding the crop with respect to which the election is made; and

(III) payments equal to the difference between the level of loans and purchases for the crop with respect to which the election is made and the level of loans and purchases for the crop immediately preceding the crop with respect to which the election is made.

Payments authorized by subclause (III) of the preceding sentence shall be made in the form of cash or in-kind commodities.

[(ii) In the case of the 1991 crop, the Secretary shall make available to producers of a commodity who exercise the election provided by this section and who comply fully with the terms and conditions of any acreage reduction program established for the 1990 crop of the commodity—

[(I) loans and purchases at the level established for the 1991 crop under legislation enacted subsequent to the date of the enactment of the Food Security Act of 1985, except that if legislation is enacted subsequent to the enactment of such Act which provides that loans and purchases shall not be made with respect to the 1991 crop of a commodity, the Secretary may make available to producers of such commodity eligible for the election provided by this subsection loans and purchases at the level determined for the 1990 crop, or if legislation is not enacted subsequent to the enactment of such Act which provides that loans and purchases shall be made with respect to the 1991 crop of any such commodity, and if loans and purchases are available to producers of such commodity under laws previously enacted, none of the provisions of this section shall apply to the 1991 crop;

[(II) deficiency payments calculated on the basis of the established price for the commodity determined for the 1990 crop; and

[(III) payments equal to the difference between the level of loans and purchases that the producer is eligible to receive under subclause (I) for such commodity for the 1991 crop and the level of loans and purchases determined for such commodity for the 1990 crop.

Payments authorized by subclause (III) of the preceding sentence shall be made in cash or in the form of in-kind commodities.]

(iii) In the case of the 1996 crop, the Secretary shall make available to producers of a commodity who exercise the election provided by this section and who comply fully with the terms and conditions of any acreage reduction program established for the 1995 crop of the commodity—

(I) loans and purchases at the level established for the 1996 crop under legislation enacted subsequent to the date of the enactment of the Food and Agricultural Resources Act of 1990, except that if legislation is enacted subsequent to the enactment of such Act which provides that loans and purchases shall not be made with respect to the 1996 crop of a commodity, the Secretary may make available to producers of such commodity eligible for the election provided by this subsection loans and purchases at the level determined for the 1995 crop, or if legislation is not enacted subsequent to the enactment of such Act which provides that loans and purchases shall be made with respect to the 1996 crop of any such commodity, and if loans and purchases are available to producers of such commodity under laws previously enacted, none of the provisions of this section shall apply to the 1996 crop;

(II) deficiency payments calculated on the basis of the established price for the commodity determined for the 1995 crop; and

(III) payments equal to the difference between the level of loans and purchases that the producer is eligible to receive under subclause (I) for such commodity for the 1995 crop and the level of loans and purchases determined for such commodity for the 1995 crop.

Payments authorized by subclause (III) of the preceding sentence shall be made in cash or in the form of in-kind commodities.

* * * * * * *

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processdors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided further*, That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges: [*Provided*, That, notwithstanding any other provision of law, the Corporation may not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less (A) 115 percent of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, or (B) if the Secretary permits the repayment of loans made for a crop of the commodity at a rate that is less than the loan level determined for such crop, 115 percent of the average loan repayment rate that is determined for such crop during the period of such loans.] *Provided, That, notwithstanding any other provision of law, the Corporation may not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye at less than (A) 150 percent of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, or (B) if the Secretary permits the repayment of loans made for a crop of the commodity at a rate that is less than the loan level determined for such crop, 150 percent of the average loan repayment rate that is determined for such crop during the period of such loans.* The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, may make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States including the Virgin Islands declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Disaster Relief and Emergency Assisance Act and may donate or sell commodities in accordance with title VI. Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program[, but in no event shall the purchase price exceed the then current support price for such commodities] *or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use.* For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form. Notwithstanding the foregoing, whenever prior to December 31, 1963, the Secretary determines it necessary in order to assure the Nation an adequate supply of milk free of contamination by radioactive fallout, he may make feed owned or controlled by the Commodity Credit Corporation available to producers of milk in any area or areas of the United States at such prices and on such terms and conditions as he deems appropriate in the public interest. [Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same proces as it sells cotton for export, in no event, however, at less than 110 per centium of the loan rate, and (2)] *Notwithstanding any other provision of law, (1) the Commodity Credit Cor-*

poration shall sell unpland cotton for unrestricted use at the same prices as it sells upland cotton for export; such sales shall be made on a competitive bid basis, but in no event however, at less than 115 percent of the lower of the loan rate or the loan repayment rate in effect for the week in which it is sold for the base quality of upland cotton, as determined by the Secretary, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly. Notwithstanding any other provision of this section, effective August 1, 1968, the Commodity Credit Corporation shall make available during each marketing year for sale for unrestricted use at market prices at the time of sale, a quantity of American grown extra long staple cotton equal to the amount by which the production of such cotton in the calendar year in which such marketing year begins is less than the estimated requirements of American grown extra long staple cotton for domestic use and for export for such marketing year: *Provided*, That no sales shall be made at less than 115 per centum of the loan rate for extra long staple cotton under section 101(f) of this Act beginning with the marketing year for the first crop for which the national marketing quota for extra long staple cotton is not established under paragraph (3) of section 347(b) of the Agricultural Adjustment Act of 1938, as amended. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly. Notwithstanding any other provision of law, beginning upon the enactment of the Extra Long Staple Cotton Act of 1983, the Commodity Credit Corporation may sell extra long staple cotton for unrestricted use at such price levels as the Secretary determines appropriate to maintain and expand export and domestic markets for such cotton.

SEC. 407A. QUALITY REQUIREMENTS FOR COMMODITY CREDIT CORPORATION OWNED GRAIN.

(a) ESTABLISHMENT OF MINIMUM STANDARDS.—Notwithstanding any other provision of law, the Secretary shall establish minimum quality standards that shall apply to grain that is deposited for storage for the account of the Commodity Credit Corporation. In establishing such standards, the Secretary shall take into consideration factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance.

(b) INSPECTION OF GRAIN ACQUISITIONS.—The Commodity Credit Corporation shall utilize Federal Grain Inspection Service approved procedures to inspect and evaluate the condition of the grain it acquires from producers. In no case shall this section require the use of an official inspection unless the producer so requests.

* * * * * * *

SEC. 416. (a) In order to prevent the waste of commodities whether in private stocks or acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in nonprofit summer camps for children, in the assistance of needy persons, and in charitable institutions, including ⟦hospitals, to the extent that needy persons are served⟧ *hospitals and facilities, to the extent that they serve needy persons, including infants and children.* In the case of (3) the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3). The Commodity Credit Corporation may pay, with respect to commodities disposed of under this subsection, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency. In addition, in the case of food commodities disposed of under this subsection, the Commodity Credit Corporation may pay the cost of processing such commodities into a form suitable for home or institutional use, such processing to be accomplished through private trade facilities to the greatest extent possible. For the purpose of this subsection the terms "State" and "United States" include the District of Columbia and any Territory or possession of the United States.

Dairy products acquired by the Commodity Credit Corporation through price support operations may, insofar as they can be used in the United States in nonprofit school-lunch and other nonprofit child feeding programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served, be donated for any such use prior to any other use or disposition. Notwithstanding any other provision of law, such dairy products may be donated for distribution to needy households in the United States and to meet the needs of persons receiving nutrition assistance under the Older Americans Act of 1965.

(b)(1) * * *

* * * * * * *

(12)(A) No person may act as an agent, broker, consultant, or other representative of—

(i) the Federal Government,

(ii) an importer, or

(iii) an importing country

in connection with commodities provided under this subsection during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subparagraph the term "transportation-related services" means lightening, stevedoring, bagging, or inland transportation to the destination point.

(B) No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this subsection unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

(C) No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this subsection may be paid in excess of an amount determined appropriate by the President.

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[TITLE V—ACREAGE BASE AND PROGRAM YIELD SYSTEM FOR THE WHEAT, FEED GRAIN, UPLAND COTTON, AND RICE PROGRAMS

[SEC. 501. The purpose of this title is to prescribe a system for establishing farm and crop acreage bases and program yields for the wheat, feed grain, upland cotton, and rice programs under this Act that is efficient equitable, flexible, and predictable.

[SEC. 502. For purposes of this title—

[(1) the term "program crop" means any crop of wheat, feed grains, upland cotton, or rice; and

[(2) the term "county committee" means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is administratively located.

[SEC. 503. (a)(1) Except as provided in paragraph (2), the Secretary shall provide for the establishment and maintenance of farm acreage bases for the 1986 and subsequent crop years.

[(2) With respect to the 1986 crop year, the Secretary may forgo the establishment of farm acreage bases under this title.

[(b)(1) The county committee, in accordance with regulations prescribed by the Secretary, shall determine the farm acreage base for a farm for a crop year. Such farm acreage base shall include the number of acres equal to the sum of the crop acreage bases for the farm.

[(2) In the case of farm acreage bases established for the 1987 and subsequent crop years, the determination of the farm acreage base shall also include (in addition to the crop acreage bases for the farm) the sum of (A) the average of the acreage on the farm planted to soybeans in the 1986 and subsequent crop years, and (B) the average of the acreage on the farm devoted by the producer to a conserving use in the normal course of farming operations in the 1986 and subsequent crop years.

[(c)(1) Notwithstanding any other provision of this Act, effective for each of the 1989 and 1990 crops, the Secretary shall permit producers on a farm to designate any portion of the farm acreage base (excluding any portion designated as soybean acreage base) for the crop year as acreage base established for oats. For the purposes of determining the farm acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as oats base under this paragraph and planted to oats for harvest in 1989 or 1990 shall be considered to be planted to the program crop for which oats are substituted.

[(2) The Secretary shall not make program benefits other than benefits available under the program established for oats available to producers with respect to acreage planted to oats under paragraph (1), and shall ensure that the crop acreage bases established for the farm and the farm acreage base are not increased due to such plantings.

[SEC. 504. (a)(1) The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping. The sum of the crop acreage bases for all program crops produced on any farm for any crop year shall not exceed the farm acreage base for such farm for such crop year, except to the extent that the excess is due to an established practice of double cropping.

[(2) The term "double cropping" means a farming practice, as defined by the Secretary, which has been carried out on a farm in at least 3 of the 5 crop years immediately preceding the crop year for which the crop acreage base for the farm is established.

[(b)(1)(A) Except as provided in subparagraph (B), the crop acreage base for a program crop for any farm for the 1986 and subsequent crop years shall be the number of acres that is equal to the average of the acreage planted and considered planted to such program crop for harvest on the farm in each of the five crop years preceding such crop year.

[(B)(i) In the case of upland cotton and rice, except as provided in clause (ii), if no planted and considered planted acreage has been established for a farm for each of the five crop years preceding such crop year, the crop acreage base for such crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the five crop years preceding such crop year, excluding all crop years in which planted and considered planted acreage was not established for the farm.

[(ii) Any crop acreage base established in accordance with clause (i) shall not exceed a number of acres equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the two crop years preceding such crop year.

[(2) The acreage considered planted to a program crop shall include—

[(A) any reduced acreage, and diverted acreage on the farm;

[(B) any acreage on the farm that producers were prevented from planting to such crop because of drought, flood, or other natural disaster, or other condition beyond the control of the producers;

[(C) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted under section 107D(c)(1)(K), 105C(c)(1)(I), 103A(c)(1)(G), or 101A(c)1)(G), as the case may be;

[(D) in the case of each of the 1986 through 1989 crop years, acreage in an amount equal to not to exceed 50 percent of the permitted acreage for a program crop for each of the 1986 and 1987 crop years, 35 percent of the permitted acreage for the 1988 crop year, and 20 percent of the permitted acreage for the 1989 crop year, if—

[(i) the acreage considered to be planted is planted to a crop, other than a program crop, peanuts, soybeans, extra long staple cotton, or commodities specified in clause (C);

[(ii) the producers on the farm plant for harvest to the program crop at least 50 percent of the permitted acreage for such crop; and

[(iii) payments are not received by producers under 107D(c)(1)(C), 105C(c)(1)(B), 103A(c)(1)(B), or 101A(c)(1)(B), as the case may be;

[(E) in the case of the 1990 crop year, acreage in an amount not to exceed 20 percent of the permitted acreage for a program crop, if—

[(i) the acreage considered to be planted is planted to canola, rapeseed, sunflower, safflower, flaxseed, kenaf, crambe, guayule, milkweed, mung bean, mustard, or meadowfoam;

[(ii) the producers on the farm plant for harvest to the program crop at least 50 percent of the permitted acreage for such crop; and

[(iii) payments are not received by producers under section 107D(c)(1)(C), 105C(c)(1)(B), 103A(c)(1)(B), or 101A(c)(1)(B), as the case may be; and

[(F) any acreage on the farm which the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base.

[(3) For the purpose of determining the crop acreage base for the 1986 and subsequent crop years for any farm, the county committee, in accordance with regulations prescribed by the Secretary, may construct a planting history for such crop if—

[(A) planting records for such crop for any of the five crop years preceding such crop year are incomplete or unavailable; or

[(B) during at least one but not more than four of the five crop years preceding such crop year, the program crop was not produced on the farm.

[(c) The Secretary may make adjustments to reflect crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable crop acreage base.

[(d) If a county committee determines, in accordance with regulations prescribed by the Secretary, that the occurrence of a natural disaster or other similar condition beyond the control of the producer prevented the planting of a program crop on any farm within the county (or substantially destroyed any such program crop after it had been planted but before it had been harvested), the producer may plant any other crop, including any other program crop, on the acreage of such farm that, but for the occurrence of such disaster or other condition, would have been devoted to the production of a program crop. For purposes of determining the farm acreage base or the crop acreage base, any acreage on the farm on which a substitute crop, including any program crop, is planted under this subsection shall be taken into account as if such acreage had been planted to the program crop for which the other crop was substituted.

[(e) Notwithstanding any other provision of this Act—

[(1) Effective for the 1990 crops, the Secretary shall, subject to paragraph (2), permit producers on a farm to plant soybeans, sunflowers, or safflowers on a portion specified by the producer (but in any event not more than 25 percent) of the producers' 1990 wheat, feed grain, upland cotton, extra long staple cotton, and rice permitted acreage, as determined by the Secretary.

[(2)(A) The Secretary shall establish a sign-up period during which the producers on a farm, participating in the 1990 crop wheat, feed grain, upland cotton, extra long staple cotton, or rice price support and production adjustment program, must state their intentions regarding use of the increased planting provision under paragraph (1).

[(B) After termination of the sign-up period under subparagraph (A), the Secretary shall estimate whether, based on the anticipated additional soybean, sunflower, and safflower plantings for the crop, the average market price for the 1990 crop of soybeans will be below 110 percent of the loan rate established for the 1989 crop of soybeans.

[(C) If the Secretary estimates that the average market price for the 1990 crop of soybeans will be below 110 percent of such loan rate, the Secretary shall reduce the percentage of permitted acreage on the farm that may be planted to soybeans, sunflowers, and safflowers to a level, or prohibit such plantings, as necesary to ensure that the average soybean market price does not fall below 110 percent of such loan rate.

[(D) the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth the reasons for any reduction in the permitted planting percentage, or prohibition on such plantings, under this paragraph.

[(3)(A) For the purposes of determining the farm acreage base or the crop acreage bases for the farm, any acreage on the farm on which soybeans, sunflowers, or safflowers are planted under this subsection shall be considered to be planted to the program crop for which soybeans, sunflowers, or safflowers are submitted.

[(B) The Secretary may not make program benefits other than soybeans, or sunflower seed price support loans and purchases available to producers with respect to acreage planted to soybeans, sunflowers, or safflowers under this subsection and shall ensure that the crop acreage bases established for the farm and the farm acreage are not increased due to such plantings.

[SEC. 505. (a) The Secretary may provide for an upward adjustment of any crop acreage base for any farm for any crop year. Except as provided in subsection (b), such adjustment may not exceed the number of acres that is equal to 10 percent of the farm acreage base for such farm for such crop year. Any upward adjustment in a crop acreage base must be offset by an equivalent downward adjustment in one or more other crop acreage bases established for the farm for such crop year.

[(b) The Secretary may suspend, on a nationwide basis, any limitation contained in subsection (a) with respect to the crop acreage base for any program crop if the Secretary determines that—

[(1) a short supply or other similar emergency situation exists with respect to the program crop; or

[(2) market factors exist that require the suspension of the limitation to achieve the purposes of the program.

[SEC. 506. (a) The Secretary shall provide for the establishment of a farm program payment yield for each farm for each program crop for each crop year.

[(b)(1) Except as provided in paragraphs (2) and (3), the farm program payment yield for each of the 1986 and 1987 crop years shall be the average of the farm program payment yields for the farm for the 1981 through 1985 crop years, excluding the year in which such yield was the highest and the year in which such yield was the lowest.

[(2)(A) In the case of the 1986 crop year for a commodity, if the farm program payment yield for a farm is reduced more than 3 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity (in the form of commodities owned by the Commodity Credit Corporation) in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 3 percent below the farm program payment yield for the 1985 crop year.

[(B) In the case of the 1987 crop year for a commodity, if the farm program payment yield for a farm is reduced more than 5 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity (in the form of commodities owned by the Commodity Credit Corporation) in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 5 percent below the farm program payment yield for the 1985 crop year.

[(C) In the case of each of the 1988 through 1990 crop years for a commodity, if the farm program payment yield for a farm is reduced more than 10 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 10 percent below the farm program payment yield for the 1985 crop year. Such payments shall be made available to producers at the time final deficiency payments are made available.

[(3) If no crop of the commodity was produced on the farm or no farm program payment yield was established for the farm for any of the 1981 through 1985 crop years, the farm program payment yield shall be established on the basis of the average farm program payment field for such crop years for similar farms in the area.

[(4) If the Secretary determines such action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

[(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period; or

[(B) the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available.

[(5) If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

[(c)(1) With respect to the 1988 and subsequent crop years, the Secretary may (A) establish the farm program payment yield as provided in subsection (b), or (B) establish a farm program payment yield for any program crop for any farm on the basis of the average of the yield per harvested acre for the crop for such farm for each of the five crop years immediately preceding such crop year, excluding the crop year with the highest yield per harvested acres, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm. For purposes of the preceding sentence, the farm program payment yield for the 1983 through 1986 crop years and the actual yield per harvested acre with respect to the 1987 and subsequent crop years shall be used in determining farm program payment yields. Notwithstanding any other provision of this paragraph, for purposes of establishing a farm program payment yield for any program crop for any farm for the 1988 and subsequent crop years, the farm program payment yield for the 1986 crop year may not be reduced more than 10 percent below the farms program payment yield for the farm for the 1985 crop year.

[(2) The county committee, in accordance with regulations prescribed by the Secretary, may adjust any program yield for any program crop for any farm if the program yield for the crop on the farm does not accurately reflect the productive potential of the farm because of the occurrence of a natural disaster or other similar condition beyond the control of the producer.

[(d) In the case of any farm for which the actual yield per harvested acre for any program crop referred to in subsection (c)(1) for any crop year is not available, the county committee may assign the farm a yield for the crop for such crop year on the basis of actual yields for the crop for such crop year on similar farms in the area.

[(e)(1) With respect to the 1989 and subsequent crop years, the Secretary shall allow producers to provide to county committees data with respect to the actual yield for each farm for each program crop. The Secretary shall maintain such data for at least five crop years after receipt in a manner that will permit the data to be used, if necessary, in the administration of the commodity programs for the 1989 and subsequent crops.

[(2) The Secretary shall provide timely notification to producers of the provisions of paragraph (1).

[(3) With respect to the 1989 crop year, the Secretary shall determine what the costs of each commodity program would be if farm program payment yields were determined in accordance with the methods prescribed in paragraph (4) and what the impact of such alternative methods would be on each commodity program and on producers participating in each commodity program.

[(4) The alternative methods of determining program payment yields for purposes of paragraph (3) shall include, at a minimum:

[(A) using producers' actual yields for the current crop year,

[(B) allowing producers the option of choosing to use their actual yields or the county average yield for the current crop year, and

[(C) the yield derived on the basis of the average of the actual yield per harvested acre for the crop for each of the five crop years immediately preceding such crop year, excluding the crop year with the highest yield per harvested acre, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm.

Not later than January 30, 1990, the Secretary shall report the determinations under this subsection to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

[SEC. 507. Effective for each of the 1986 and subsequent crop years, each county committee, in accordance with regulations prescribed by the Secretary, may require any producer who seeks to establish a farm acreage base, crop acreage base, or farm program payment yield for a farm for a crop year to provide planting and production history of such farm for each of the five crop years immediately preceding such crop year.

[SEC. 508. Each county committees may, in accordance with regulations prescribed by the Secretary, provide for the establishment of a farm acreage base, crop acreage base, and farm program payment yield with respect to any farm administratively located within the county if such farm acreage base, crop acreage base, or farm program payment yield cannot otherwise be established under this title. Such bases and farm program payment yields shall be established in a fair and equitable manner, but no such bases or farm program payment yields shall be established for a farm if the producer on such farm is subject to sanctions under any provision of Federal law for cultivating highly erodible land or converted wetland.

[SEC. 509. The Secretary shall establish an administrative appeal procedure which provides for an administrative review of determinations made with respect to farm acreage bases, crop acreage bases, and farm program payment yields.]

TITLE V—ACREAGE BASE AND PROGRAM YIELD SYSTEM FOR THE WHEAT, FEED GRAIN, UPLAND COTTON, AND RICE PROGRAMS

SEC. 501. PURPOSE.

The purpose of this title is to prescribe a system for establishing farm and crop acreage bases and program yields for the wheat, feed grain, upland cotton, and rice programs under this Act that is efficient, equitable, flexible, and predictable.

SEC. 502. DEFINITIONS.

For purposes of this title—

(1) the term "program crop" means any crop of wheat, feed grains, upland cotton, or rice; and

(2) the term "county committee" means the county committee established under sectioin 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is administratively located.

SEC. 503. FLEXIBLE ACREAGE BASE AND FLEXIBLE CROP ACREAGE.

(a) ESTABLISHMENT OF BASES.—The Secretary shall provide for the establishment and maintenance of flexible acreage bases for the 1991 and subsequent crop years.

(b) DETERMINATION OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, shall determine the flexible acreage base for a farm for a crop year. Such flexible acreage base shall include the sum of—

(1) the number of acres equal to the sum of the crop acreage bases for the farm; and

(2) the average of the acreage on the farm planted and considered planted to soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate under section 201(g)(1)(A), in each of the 5 crop years immediately preceding the year for which the determination is made.

(c) FLEXIBLE CROP ACREAGE.—(1) DESIGNATION BY PRODUCERS.—Notwithstanding any other provision of this Act, the Secretary shall permit producers on a farm to designate up to 25 percent of such flexible acreage base for the crop year as flexible crop acreage. Such flexible crop acreage may be planted, at the option of the producer, to—

(A) any program crop in an amount such that the plantings of all programs crops on farm do not exceed the total of the permitted acreage for all program crops on the farm: Provided; that during any of the crop years 1991 through 1995 in which a

percentage of permitted acres on a farm planted to a crop of wheat, feed grains, cotton, or rice shall be ineligible to receive deficiency payments by virtue of any program policy element that may subsequently be enacted removing from the producer of such crop the option to plant the permitted crop and receive deficiency payments thereon, then at such time and to the extent of the percentage of such ineligibility to receive deficiency payments on the permitted program crop or crops on the farm, the restrictions imposed by this subparagraph shall be waived as to the total plantings of all program crops on the farm on flexible acreage base on the farm as defined in this title.

(B) soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, or any other oilseeds the Secretary may designate under section 201(g)(1)(A);

(C) sweet sorghum, guar, sesame, castor beans, mustard, crambe, plantago ovato, triticale, rye, guayule, milkweed, mung bean, meadowfoam, jojoba, kenaf;

(D) commodities grown for experimental purposes, as determined by the Secretary; or

(E) commodities for which no substantial domestic production or market exists, as determined by the Secretary.

(2) Notification.—With regard to commodities that may be planted pursuant to paragraph (1)(D) and (E), the Secretary shall make a determination in each crop year of the commodities that will qualify for planting on flexible acres and shall publish a proposed list of such commodities in advance of making a final determination and granting the authority to producers to plant such commodities.

(3) Base protection.—For the purposes of determining the flexible acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as flexible crop acreage under paragraph (1), shall be considered to be planted to the program crop or oilseed specified in subsection (b)(2) for which such crop planted on such flexible crop acreage is substituted.

(4) Limitation of benefits.—The Secretary shall not make program benefits, other than price support loans authorized under this Act for the program crop, available to producers with respect to a program crop planted on flexible crop acreage under paragraph (1), and shall ensure that the crop acreage bases and the flexible acreage base established for the farm are not increased due to such plantings.

(d) Oats Plantings—(1) Base protection.—Notwithstanding any other provision of this act, the Secretary shall permit producers on a farm designate any portion of the flexible acreage base (excluding any acreage specified in subsection (b)(2)) for the crop year as acreage base established for oats. For the purposes of determining the flexible acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as oats base under this paragraph and planted to oats for harvest shall be considered to be planted to the program crop for which oats are substituted.

(2) Oats program benefits.—The Secretary may make program benefit (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under section

105A available to producers with respect to acreage planted to oats under this subsection.

(3) LIMITATIONS OF BENEFITS.—The Secretary shall not make program benefits other than benefits specified in paragraph (2) available to producers with respect to acreage planted to oats under paragraph (1), and shall ensure that the crop acreage bases established for the farm and the flexible acreage base are not increased due to such plantings.

SEC. 504. CROP ACREAGE BASES.

(a) ESTABLISHMENT.—(1) IN GENERAL.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping. The sum of the crop acreage bases for all program crops produced on any farm for any crop year shall not exceed the flexible acreage base for such farm for such crop year, except to the extent that the excess is due to an established practice of double cropping.

(2) DOUBLE CROPPING.—The term "double cropping" means a farming practice, as defined by the Secretary, which has been carried out on a farm in at least 3 of the 5 crop years immediatedly preceding the crop year for which the crop acreage base for the farm is established.

(b) DETERMINATION.—(1) IN GENERAL.—(A) Except as provided in subparagraph (B), the crop acreage base for a program crop for any farm for the 1991 and subsequent crop years shall be the number of acres that is equal to the average of the acreage planted and considered planted to such program crop for harvest on the farm in each of the 5 crop years preceding such crop year.

(B) In the case of upland cotton and rice, the crop acreage base for those crops shall be the number of acres that is equal to the average of the acreage planted and considered planted to such program crop for harvest on the farm in each of the three crop years preceding such crop year.

(2) ACREAGE CONSIDERED PLANTED.—The acreage considered planted to a program crop shall include—

(A) any reduced acreage, set-aside acreage, and diverted acreage on the farm;

(B) any acreage on the farm that producers were prevented from planting to such crop because of drought, flood, or other natural disaster, or other condition beyond the control of the producers;

(C) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted under section 107A(c)(1)(G), 105A(c)(1)(H), 103B(c)(1)(F), or 101B(c)(1)(F), as the case may be;

(D) acreage designated as flexible crop acreage, other than that portion designated from acreage specified under section 503(b)(2);

(E) any acreage on the farm that the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base;

(F) any acreage on the farm for which the crop acreage base for the crop on the farm was adjusted because of a condition or occurrence beyond the control of the producer pursuant to subsection (e).

(3) CONSTRUCTION OF PLANTING HISTORY.—For the purpose of determining the crop acreage bvase for the 1991 and subsequent crop years for any farm, the county committee, in accordance with regulations prescribed by the Secretary, may construct a planting history for such crop if—

(A) planting records for such crop for any of the 5 crop years preceding such crop year are incomplete or unavailable; or

(B) during at least one but not more than 4 of the 5 crop years preceding such crop year, the program crop was not produced on the farm.

(c) CROP ROTATION.—The Secretary may make adjustments to reflect crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitible crop acreage base.

(d) PREVENTED PLANTING.—If a county committee determines, in accordance with regulations prescribed by the Secretary, that the occurrence of a natural disaster or other similar condition beyond the control of the producer prevented the planting of a program crop on any farm within the county (or substantially destroyed any such program crop after it had been planted but before it had been harvested), the producer may plant any other crop, including any other program crop, in the acreage of such farm that, but for the occurrence of such disaster or other condition, would have been devoted to the production of a program crop. For purposes of determining the flexible acreage base or the crop acreage base, any acreage on the farm on which a substitute crop, including any program crop, is planted under this subsection shall be taken into account as if such acreage had been planted to the program crop for which the other crop was substituted.

(e) ADJUSTMENT OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.

SEC. 505. FARM PROGRAM PAYMENT YIELDS.

(a) ESTABLISHMENT.—The Secretary shall provide for the establishment of a farm program payment yield for each farm for each program crop for each crop year. Such program payment yield shall be equal to the average of the farm program payment yields for the farm for the 1981 through 1985 crop years, excluding the year in which such yield was the highest and the year in which such yield was the lowest.

(b) PRODUCER PROTECTIONS.— (1) LIMITATION ON REDUCTIONS.—If the farm program payment yield for a farm is reduced more than 10 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more

than 10 percent below the farm program payment yield for the 1985 crop year. Such payments shall be made available to producers not later than the time final deficiency payments are made available.

(2) CONSTRUCTION OF YIELDS.—If no crop of the commodity was produced on the farm or no farm program payment yield was established for the farm for any of the 1981 through 1985 crop years, the farm program payment yield shall be established on the basis of the average farm program yield for such crop years for similar farms in the area.

(3) COUNTY YIELDS.—If the Secretary determines such action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period; or

(B) the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available.

(4) BALANCING OF YIELDS.—If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

(c) DETERMINATION OF YIELDS.—(1) ACTUAL YIELDS.—With respect to the 1991 and subsequent crop years, the Secretary may (A) establish the farm program payment yield as provided in subsection (a), or (B) establish a farm program payment yield for any program crop for any farm on the basis of the average of the yield per harvested acre for the crop for such farm for each of the 5 crop years immediately preceding such crop year, excluding the crop year with the highest yield per harvested acre, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm. For purposes of the preceding sentence, the farm program payment yield for the 1986 crop year and the actual yield per harvested acre with respect to the 1987 and subsequent crop years shall be used in determining farm program payment yields. Notwithstanding any other provision of this paragraph, for purposes of establishing a farm program payment yield for any program crop for any farm for the 1991 and subsequent crop years, the farm program payment yield for the 1986 crop year may not be reduced more than 10 percent below the farm program payment yield for the farm for the 1985 crop year.

(2) ADJUSTMENT OF YIELDS.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any farm program payment yield for any program crop for any farm if the farm program payment yield for the crop on the farm does not accurately reflect the productive potential of the farm.

(d) ASSIGNMENT OF YIELDS.—In the case of any farm for which the actual yield per harvested acre for any program crop referred to in subsection (c)(1) for any crop year is not available, the county committee may assign the farm a yield for the crop for such crop year on the basis of actual yields for the crop for such crop year on similar farms in the area.

SEC. 506. PLANTING AND PRODUCTION HISTORY OF FARMS.

Effective for each of the 1991 and subsequent crop years, each county committee, in accordance with regulations prescribed by the Secretary, may require any producer who seeks to establish a flexible acreage base, crop acreage base, or farm program payment yield for a farm for a crop year to provide planting and production history of such farm for each of the 5 crop years immediately preceding such crop year.

SEC. 507. ESTABLISHMENT OF BASES AND YIELDS BY COUNTY COMMITTEES.

Each county committee may, in accordance with regulations prescribed by the Secretary, provide for the establishment of a flexible acreage base, crop acreage base, and farm program payment yield with respect to any farm administratively located within the county if such flexible acreage base, crop acreage base, or farm program payment yield cannot otherwise be established under this title. Such bases and farm program payment yields shall be established in a fair and equitable manner, but no such bases or farm program payment yields shall be established for a term if the producer on such farm is subject to sanctions under any provision of Federal law for cultivating highly erodible land or converted wetland.

SEC. 508. APPEALS.

The Secretary shall establish an administrative appeal procedure which provides for an administrative review of determinations made with respect to flexible acreage bases, crop acreage bases, and farm program payment yields.

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AGRICULTURAL ADJUSTMENT ACT OF 1938

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TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES

Subtitle A—Definitions, Parity Payments, and Consumer Safeguards

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PART VI—MARKETING QUOTAS—PEANUTS

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SEC. 358. (a) * * *

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(k)(1) The national poundage quota for peanuts for each of the 1991 through 1995 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible, seed, and related uses, except that the national poundage quota for any such marketing year shall not be less than 1,350,000 tons.

(2) The national poundage quota for a marketing year shall be announced by the Secretary not later than December 15 preceding such marketing year.

(1) The national poundage quota established under subsection (k) shall be apportioned among the States based upon the percentage of the national poundage quota allocated to farms in each such State for 1990.

(m)(1)(A) A farm poundage quota for each of the 1991 through 1995 marketing years shall be established—

(i) for each farm that had a farm poundage quota for peanuts for the 1990 marketing year;

(ii) if the poundage quota apportioned to a State under subsection (1) for any such marketing year is larger than such quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

(iii) for institutions specified in section 358b, as approved and determined by the Secretary pursuant to that section.

(B) The farm poundage quota for each of the 1991 thorugh 1995 marketing years for each farm described in subparagraph (A)(i) of the preceding sentence shall be the same as the farm poundage quota for such farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including—

(i) any increases for undermarketings from previous years; or

(ii) any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (9).

The farm poundage quota, if any, for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the poundage quota allocated to such farm for such year under paragraph (2)(A).

(C) For purposes of this paragraph, if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a, the receiving farm shall be considered as possessing the farm poundage quotas (or portion thereof) of the transferring farm for all subsequent marketing years.

(2)(A) Except as provided in paragraph (3), if the poundage quota apportioned to a State under subsection (1) for any of the 1991 through 1995 marketing years is increased over the poundage quota apportioned to the State for the immediately preceding marketing year, such increase shall be allocated proportionately, based on farm production history for the 3 immediately preceding years, among—

(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

(B) If the poundage quota apportioned to a State under subsection (1) for any of the 1991 through 1995 marketing years is decreased from the poundage quota apportioned to the State under such subsection for the immediately preceding marketing year, such decrease shall be allocated among all the farms in the State for which a

farm poundage quota was established for such immediately preceding marketing year.

(3)(A) Notwithstanding the foregoing provisions of this subsection, in the case of the State of Texas only and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year 33 percent of the increased poundage quota referred to paragraph (2)(A) for any year (hereafter in this section referred to as the "reserve share") shall be allocated according to this paragraph.

(B) The Secretary shall distribute the reserve share to counties in which the production of additional peanuts exceeded the total poundage quota allocated to farms in such counties for the 1989 marketing year (hereafter in this paragraph referred to as "eligible counties"). The amount of such reserve share distributed to each eligible county shall be proportional to—

(i)(I) the total additional peanuts produced in such eligible county for the 1988 crop; divided by

(II) the total amount of additional peanuts produced in all such eligible counties for the 1988 crop; multiplied by

(ii) the reserve share.

(C) In the case of eligible counties where more than 10,000 tons of poundage quota was allocated to all farms in the county for the 1989 marketing year, the total poundage quota distributed to any such county under this paragraph and paragraph (8) shall not increase the total poundage quota allocated to all farms in such county to a level of more than 100 percent of the total poundage quota allocated to farms in such county for the 1989 marketing year. In the event the amount of total poundage quota allocated to all farms in any such county is increased to 100 percent of the total poundage quota allocated to all farms in such county for the 1989 marketing year, the remainder of the reserve share distributed to such county shall be redistributed to other eligible counties in accordance with subparagraph (B).

(D) The portion of reserve share distributed to each eligible county under this paragraph shall be allocated in accordance with subparagraph (E) within such county only to farms (hereafter in this paragraph referred to as "eligible farms")—

(i) having a poundage quota for the 1990 marketing year; and

(ii) from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made.

(E) The portion of reserve share distributed to each eligible county shall be allocated among eligible farms in each such county on the following basis:

(i) A factor shall be established for each eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total amount of remaining peanuts produced on such farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

(ii) Each eligible farm shall be entitled to that proportion of the reserve share as its factor bears to the total of such factors for all eligible farms in such county.

(F) The remaining 67 percent of such increased poundage quota referred to in paragraph (2)(A) shall be allocated to farms pursuant to paragraph (2)(A).

(4)(A) Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1991 through 1995 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

(B) For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include—

(i) any increases for undermarketing of quota peanuts from previous years; or

(ii) any increase resulting from the allocation of quotas voluntarily released for one year under paragraph (9).

(5) For purposes of this subsection, the farm poundage quota shall be considered produced on a farm for a particular marketing year if—

(A) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

(B) the farm poundage quota for the farm was released voluntarily under paragraph (9) for only 1 of the 3 immediately preceding marketing years; or

(C) the farm poundage quota or any portion thereof was leased to another owner or operator of a farm within the same county for transfer to such farm for only 1 of the 3 immediately preceeding years.

(6)(A) The farm poundage quota established for a farm under this subsection, or any part of such quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner.

(B) The poundage quota for the farm for which such quota is released shall be adjusted downward to reflect the quota that is so released.

(7)(A) Except as provided in subparagraph (B) and paragraph (8), the total amount of the farm poundage quotas reduced or permanently released from farms in a State for any marketing year under paragraphs (4) and (6) shall be allocated proportionately, based on farm production history for the 3 immediately preceding years, to other farms in the State on which peanuts were produced in at least 2 of such years.

(B)(i) Subject to clause (ii) the Secretary shall allocate to each farm for which no poundage quota was established for the immediately preceding year's crop an amount of quota from the total amount of farm poundage quota reduced or permanently released in the State equal to such farm's average production for the 3 immediately preceeding years during which peanuts were produced on such farm.

(ii) The Secretary shall allocate under clause (i) a maximum of 25 percent of the total amount of farm poundage quota reduced or per-

manently released in the State to such farms and if the sum of such average production for such farms exceeds this maximum the Secretary shall allocate such maximum to such farms in proportion to such average production for the 3 immediately preceeding years during which peanuts were produced on such farm.

(8)(A) In the case of the State of Texas only and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, the farm poundage quota reduced from farms in the State of Texas as provided in paragraph (4), except the percent allocated to new farms as provided in paragraph (7), (hereafter in this section referred to as the "release share"), shall be allocated according to this paragraph to other farms that had a peanut quota for the 1990 marketing year.

(B) The Secretary shall distribute the release share to counties in which the production of additional peanuts exceeded the total poundage quota allocated to farms in such counties for the 1989 marketing year (hereafter in this paragraph referred to as "eligible counties"). The amount of such release share distributed to each eligible county shall be proportional to—

(i) (I) the total additional peanuts produced in such eligible county for the 1988 crop; divided by

(II) the total amount of additional peanuts produced in all such eligible counties for the 1988 crop; multiplied by

(ii) the release share.

(C) In the case of eligible counties where more than 10,000 tons of poundage quota was allocated to all farms in the county for the 1989 marketing year, the total poundage quota distributed to any such county under this paragraph and paragraph (3) shall not increase the total poundage quota allocated to all farms in such county to a level of more than 100 percent of the total poundage quota allocated to farms in such county for the 1989 marketing year. In the event the amount of total poundage quota allocated to all farms in such county is increased to 100 percent of the total poundage quota allocated to all farms in such county for the 1989 marketing year, the remainder of the release share distributed to such county shall be redistributed to other eligible counties in accordance with subparagraph (B).

(D) The portion of release share distributed to each eligible county under this paragraph shall be allocated in accordance with subparagraph (E) within such county only to farms (hereafter in this paragraph referred to as "eligible farms")—

(i) having a poundage quota for the 1990 marketing year; and

(ii) from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made.

(E) The portion of release share distributed to each eligible county shall be allocated among eligible farms in each such county on the following basis:

(i) A factor shall be established for each eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total amount of remaining peanuts produced on such farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

(ii) Each eligible farm shall be entitled to that proportion of the release share as its factor bears to the total of such factors for all eligible farms in such county.

(9)(A) The farm poundage quota, or any portion thereof, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that such quota, or any part thereof, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

(B) Any adjustment in the poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which such quota was released for any subsequent marketing year.

(10)(A) Except as provided in subparagraph (B), the poundage quota for a farm for any marketing year shall be increased by the number of pounds by which the total marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1989 crop) were less than the total amount of applicable farm poundage quotas (disregarding adjustments for undermarketings from previous marketing years) for such marketing years.

(B) For purposes of subparagraph (A), no increase for undermarketings in previous marketing years shall be made to the poundage quota for any farm to the extent that the poundage quota for such farm for the marketing year was reduced under paragraph (4) for failure to produce.

(C) Any increases in farm poundage quotas under this paragraph shall not be counted against the national poundage quota for the marketing year involved.

(D) Any increase in the farm poundage quota for a farm for a marketing year under this paragraph may be used during the marketing year by the transfer of additional peanuts produced on the farm to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation prescribe.

(11) Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (10) exceeds 10 percent of national poundage quota for the marketing year in which such increases shall be applicable, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 percent of the national poundage quota.

(n)(1) For each farm for which a farm poundage quota is established under subsection (m), and when necessary for purposes of this Act, an average farm yield of peanuts shall be determined for each such farm.

(2) Such yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm out of the 5 crop years 1973 through 1977.

(3) If peanuts were not produced on the farm in at least 3 years during such 5-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation

practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

(o)(1) Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such producers are in favor of or opposed to poundgage quotas with respect to the crops of peanuts produced in the five calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, fourth, and fifth years of the period.

(2) The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held.

(3) If more than one-third of the producers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

(p) For the purposes of this part and title I of the Agricultural Act of 1949:

(1) The term "additional peanuts" means, for any marketing year—

(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year; and

(B) all peanuts marketed from a farm for which no farm poundage quotas has been established in accordance with subsection (m).

(2) The term "crushing" means the processing peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

(3) The term "domestic edible use" means use for milling to produce domestic food peanuts (other than those described in paragraph (2)), seed, and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available.

(4) The term "quota peanuts" means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (m), that—

(A) are eligible for domestic edible use as determined by the Secretary;

(B) are marketed or considered marketed from a farm; and

(C) do not exceed the farm poundage quota of such farm for such year.

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SEC. 358a. (a) * * *

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(i)(1) Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same country for transfer to such farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season only—

(A) if not less than 90 percent of the farm quota exclusive of undermarketings and temporary quota transfers, plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

(B) under such terms and conditions as the Secretary may by regulation prescribe.

In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

(2) The owner or operator of a farm may transfer all or any part of the farm poundage quota for such farm to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the preceding year's crop. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if such transferred quota is produced or considered produced on the receiving farm.

(3) Notwithstanding paragraphs (1) and (2), in the case of any State for which the poundage quota opportioned to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

(j) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

(1) No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

(2) No transfer of the farm poundage quota shall be permitted if the local county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (hereafter in this section referred to as the "county committee") determines

that the receiving farm does not have adequate tillable cropland to produce the transferred farm poundage quota.

(3) No transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with this section.

(4) Such other terms and conditions that the Secretary may by regulation prescribe.

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QUOTA FOR RESEARCH

SEC. 358b. Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from such State's quota reserve to land-grant institutions identified in the Act of May 8, 1914 (7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes in an amount equal to that amount of quota held by each such institution during 1985 up to one tenth of one percent of such State's basic quota. The responsibility for complying with the duties of the farm operator with respect to the production of such quota peanuts shall be vested in the director of the Agricultural Experiement Station for the State.

SEC. 359. (a) * * *

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(f)(1)(A) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 percent of the support price for quota peanuts on the quantity of such excess amount of peanuts for the marketing year in which such marketing occurs.

(B) For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

(C) The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are—

(i) placed under loan at the additional loan rate in effect for such peanuts section 108B of the Agricultural Act of 1949 and not redeemed by the producers;

(ii) marketed through an area marketing association designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445 c-1(c)(1)); or

(iii) marketed under contracts between handlers and producers pursuant to subsection (j).

(2) Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent. Such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

(3) If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty.

(4) Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins.

(5) If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(n), times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

(6) The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

(7) Errors in weight that do not exceed one-tenth of 1 percent in the case of any one marketing document shall not be considered to be marketing violations except in cases of fraud or conspiracy.

(g)(1) Only quota peanuts may be retained for use as seed or for other uses on a farm. When so retained, quota peanuts shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under subsection (c), are unique strains, and are not commercially available.

(2) Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (k).

(3) Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

(h) On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

(i)(1) Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c-1(c)(1)).

(2)(A) Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of such peanuts, to comply with regulations that the Secretary shall issue.

(B) The regulations issued by the Secretary under subparagraph (A) shall include, but need not be limited to, the following provisions:

(i) Handlers of shelled or milled peanuts may export or crush peanuts classified by type in all of the following quantities:

(I) Sound split kernel peanuts purchased by the handler as additional peanuts to which a mandated deduction with respect to the price paid to the producer of such peanuts is applied due to the percentage of such sound splits.

(II) Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of such peanuts purchased by the handler as additional peanuts less the total poundage of sound split kernel peanuts described in subclause (I).

(III) The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

(ii) Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

(iii) If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of such loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total peanut purchases for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during such year.

(iv)(I) The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that such allowance shall not be less than 4 percent, except as provided in sub-clause (II).

(II) The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

(3) A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, to ensure the handler's compliance with the obligation to export or crush peanuts.

(4) Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

(5)(A) Except as provided in subparagraph (B), the failure of a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty equal to 140 percent of the loan level

for quota peanuts on the quantity of peanuts involved in such failure to comply.

(B) A handler shall not be subject to a penalty for failure to export or crush additional peanuts if such peanuts were not delivered to the handler.

(6) If any additional peanuts exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer thereof shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

(j)(1) Handlers may, under such regulations as the Secretary may issue, contract with producers for the purchase of additional peanuts for crushing, export, or both.

(2)(A) Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval before August 1 of the year in which the crop is produced.

(B) Such contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of such additional peanuts, including the identity of the contracting parties, the poundage and category of the peanuts, the disclosure of any liens on such peanuts, and the intended disposition of the peanuts.

(C) Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (i) by such date as prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

(3) Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of such peanuts for domestic edible or seed use.

(4) Notwithstanding any other provision of this Act, if the President issues a proclamation under section 22 of the Agricultural Adjustment Act temporarily suspending restrictions on, or increasing any quota for, the importation of peanuts, the Secretary shall permit a handler, subject to such terms and conditions as the Secretary may prescribe, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer such peanuts for sale for domestic edible, seed or related uses.

(k)(1) Subject to section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

(2)(A) Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c–1(c)(1)) shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts.

(B) The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

(l)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

(2) This section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

(3) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

(4)(A) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulation may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

(B) Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations.

(C) All penalties imposed under this section shall for all purposes be considered civil penalties.

(5)(A) Notwithstanding any other provision of law and except as provided in subparagraph (B), the Secretary may reduce the amount

of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, reducing the penalty to zero, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

(B) The amount of any penalty imposed on a handler under this section that resulted from the failure to export contracted additional peanuts may not be reduced by the Secretary.

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Subtitle C—Administrative Provisions

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PART II—ADJUSTMENT OF QUOTAS AND ENFORCEMENT

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REPORTS AND RECORDS

SEC. 373. (a) This subsection shall apply to warehousemen, processors, and common carriers of corn, wheat, cotton, rice, peanuts, or tobacco, and all ginners of cotton, all persons engaged in the business of purchasing corn, wheat, cotton rice, peanuts, or tobacco from producers, all persons engaged in the business of redrying, prizing, or stemming tobacco for producers, all producers engaged in the production of peanuts, *All producers engaged in the production of peanuts,* all brokers and dealers in peanuts, agents marketing peanuts for producers, or acquiring peanuts for buyers and dealers, and all peanut growers' cooperative associations, all persons engaged in the business of cleaning, shelling, crushing, and salting of peanuts and the manufacture of peanut products, and all persons owning or operating peanut-picking or peanut-threshing machines. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necesssary to enable him to carry out the provisions of this title. Such information shall be reported and such records shall be kept in accordance with forms which the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memoranda as he has reason to believe are relevant and are within the control of such person. Any such person failing to make any report or keep any record as required by this subsection or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine or not more than $500; and any tobacco warehouseman or dealer who fails to remedy such violation by making a complete and accurate report or keeping a complete and accurate record as required by this subsection within fifteen days after notice to him of such violation shall be subject to an additional fine of $100 for each ten thousand pounds of tobacco, or fraction thereof, bought or sold by him after the date of such violation: *Provided,* That such fine shall not exceeed $5,000; and notice of such violation shall be served upon the tobacco warehouseman or dealer by mailing the same to him by registered mail or by certified mail or by posting the same at any established place of business operated by him, or both.

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MEASUREMENT OF FARMS AND REPORT OF PLANTINGS

Sec. 374. (a) The Secretary shall provide for ascertaining, by measurement or otherwise, the acreage of any agricultural commodity or land use on farms for which the ascertainment of such acreage is necessary to determine compliance under any program administered by the Secretary. Insofar as practicable, the acreage of the commodity and land use shall be ascertained prior to harvest, and, if any acreage so ascertained is not in compliance with the requirements of the program the Secretary, under such terms and conditions as he prescribes, may provide a reasonable time for the adjustment of the acreage of the commodity or land use to the requirements of the program. Where cotton is planted in skiprow patterns, the same rules that were in effect for the 1971 through 1973 crops for classifying the acreage planted to cotton and the area skipped shall also apply to the 1974 through **[**1990 crops**]** *1995 crops. However, for the 1991 through 1995 crops, the rules shall allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped.*

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Disaster Assistance Act of 1989

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TITLE I—EMERGENCY CROP LOSS ASSISTANCE

Subtitle A—Annual Crops

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SEC. 103. PEANUTS, SUGAR, AND TOBACCO.

(a) * * *.

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(f) Special Rule for Sugarcane.—For purposes of determining the total quantity of the 1989 crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.

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Subtitle E—Administrative Provisions

* * * * * * *

SEC. 152. TIMING AND MANNER OF ASSISTANCE.

(a) TIMING OF ASSISTANCE.—

(1) * * *

(2) DEADLINE FOR APPLICATION.—To be eligible to receive payments under subtitle A, a person shall make application for such payments not later than March 31, 1990, or such later date that the Secretary, by regulation, may prescribe. *In the case of producers described in section 103(f), the Secretary shall permit such producers to apply for assistance no later than January 15, 1991 and shall, in the case of applications received prior to the date of enactment of the Food and Agricultural Resources Act of 1990, re-compute in accordance with section 103(f) the amount of any assistance due no later than 90 days after such date of enactment.*

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FOOD SECURITY ACT OF 1985

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SHORT TITLE

SECTION 1. This Act may be cited as the "Food Security Act of 1985".

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TITLE I—DAIRY

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Subtitle E—Miscellaneous

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DAIRY EXPORT INCENTIVE PROGRAM

SEC. 153. (a) During the period beginning 60 days after the date of enactment of this Act and ending on [September 30, 1990,] *December 31, 1995,* the Commodity Credit Corporation shall establish and operate an export incentive program as described in this section for dairy products under section 5 of the Commodity Credit Corporation Charter Act.

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TITLE IX—SUGAR

* * * * * * *

PREVENTION OF SUGAR LOAN FORFEITURES

SEC. 902. (a) * * *

* * * * * * *

(c)*(1)* Beginning with the quota year for sugar imports which begins after the 1985/1986 quota year, the President shall not allocate any of the sugar import quota under such provisions to any country that is a net importer of sugar derived from sugarcane or sugar beets unless the appropriate officials of that country verify to the President that that country does not import for reexport to the United States any sugar produced in Cuba.

(2)(A) Effective 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990 and by August 1 of each year thereafter through 1995, the Secretary of Agriculture shall report to the President and the Congress the extent, if any, of sugar imports from the country named in paragraph (1) by the countries described in paragraph (1).

(B) Commencing with the quota year for sugar imports after the 1990–91 quota year, the President shall report to the Congress by January 1 the identity of the countries that are net importers of sugar derived from sugarcane or sugar beets who have a quota for the current quota year, the identity of such countries who have verified that they do not import for reexport to the United States any sugar produced in the country named in paragraph (1), and the action, if any, taken by the President with respect to countries reported by the Secretary of Agriculture as net importers of sugar derived from sugarcane or sugar beets who imported such sugar from the country named in paragraph (1) who reexported such sugar to the United States during the previous quota year under a sugar quota allocation.

* * * * * * *

TITLE X—GENERAL COMMODITY PROVISIONS

Subtitle A—Miscellaneous Commodity Provisions

PAYMENT LIMITATIONS

SEC. 1001. Notwithstanding any other provision of law:

(1) Subject to sections 1001A through 1001C for each of the 1987 through [1990] *1995* crops, the total amount of deficiency pay-

ments (excluding any deficiency payments described in paragraph (2)(B)(iv) of this section) and land diversion payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains, upland cotton, extra long staple cotton, and rice may not exceed $50,000.

(2)(A) Subject to sections 1001A through 1001C for each of the 1987 through [1990] *1995* crops, the total amount of payments set forth in subparagraph (B) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, extra long staple cotton, rice, honey, and (with respect to clause (iii)(II) of subparagraph (B)) other commodities, when combined with payments for such crop described in paragraph (1), shall not exceed $250,000.

(B) As used in subparagraph (A), the term "payments" means—

(i) any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation;

(ii) any disaster payment under one or more of the annual programs for a commodity established under the Agricultural Act of 1949;

(iii)(I) any gain realized by a producer from repaying a loan for a crop of wheat, feed, grains, upland cotton, rice, or honey at the rate permitted [under section 107D(a)(5), 105C(a)(4), 103A(a)(5), 101A(a)(5), or 201(b)(2), respectively], *under section 107A(a)(4), 105A(a)(4), 103B(a)(5), 101B(a)(5), or 201(b)(2), respectively,* of the Agricultural Act of 1949, or (II) any gain realized by a producer from repaying a loan for a crop of any other commodity at a lower level than the original loan level established under the Agricultural Act of 1949;

(iv) any deficiency payment received for a crop of wheat or feed grains [under section 107D(c)(1) or 105C(c)(1), respectively, of the Agricultural Act of 1949 as the result of a reduction of the loan level for such crop under section 107D(a)(4) or 105C(a)(3) of such Act] *under section 107A(c)(1) or 105A(c)(1), respectively, of the Agricultural Act of 1949 as the result of a reduction of the loan level for such crop under section 107A(a)(3) or 105A(a)(3) of such Act;*

(v) any loan deficiency payment received for a crop of wheat, feed grains, upland cotton, or rice under section [107D(b), 105C(b), 103A(b), or 101A(b),] *107A(b), 105A(b), 103B(b), or 101B(b),* respectively, of the Agricultural Act of 1949; and

(vi) any inventory reduction payment received for a crop of wheat, feed grains, upland cotton, or rice under section [107D(g), 105C(g), 103A(g), or 101A(g)] *107A(g)(1), 105A(g)(1), 103B(f), or 101B(f),* respectively, of the Agricultural Act of 1949.

* * * * * * *

SEC. 1001A. PREVENTION OF CREATION OF ENTITIES TO QUALIFY AS SEPARATE PERSONS; PAYMENTS LIMITED TO ACTIVE FARMERS.

(a) * * *

(b) PAYMENTS LIMITED TO ACTIVE FARMERS.—

(1) * * *

* * * * * * *

(6) GROWERS OF HYBRID SEED.—To determine whether a person growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of any contract for growing such hybrid seed.

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SEC. 1001C. FOREIGN PERSONS MADE INELIGIBLE FOR PROGRAM BENEFITS.

Notwithstanding any other provision of law:

(a) IN GENERAL.—For each of the 1989 **[**and 1990**]** *through 1995* crops, any person who is not a citizen of the United States or an alien lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) shall be ineligible to receive any type of production adjustment payments, price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) with respect to any commodity produced, or land set aside from production, on a farm that is owned or operated by such person, unless such person is an individual who is providing land, capital, and a substantial amount of personal labor in the production of crops on such farm.

* * * * * * *

SEC. 1001D. TREATMENT OF MULTI-YEAR FARM PROGRAM CONTRACT PAYMENTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, in the event of a transfer of ownership of a farming operation (or an ownership interest in a farming operation) by way of gift (in anticipation of death or upon disability of the donor), devise, or descent, the Secretary of Agriculture shall continue to make to the new owner or owners all payments which may become due and payable by virtue of any multi-year program contract which was in effect at the time of the gift or the death of the prior owner.

(b) LIMITATION ON INCREASE IN PAYMENTS.—Payments made pursuant to this section shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the gift or the death of the prior owner.

(c) LIMITATION ON DECREASE IN PAYMENTS.—Payments shall be made pursuant to this section to the new owner or owners of a farming operation (or an ownership interest in a farming operation) without regard to any limitation on farm program payments received by such new owner or owners in their capacity as separate persons actively engaged in farming with regard to any other farming operation, including the operation subject to the multi-year program payment contract which is the basis of this section.

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DISASTER PAYMENTS FOR 1985 THROUGH 1990 CROPS OF PEANUTS, SOYBEANS, SUGAR BEETS, AND SUGARCANE

SEC. 1008. Effective only for the 1985 through [1990] *1995* crops of peanuts, soybeans, sugar beets, and sugarcane, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) (as amended by section 901 of this Act) is further amended by adding at the end thereof the following new subsection:

* * * * * * *

MULTIYEAR SET-ASIDES

SEC. 1010. Notwithstanding any other provision of law:

(1) the Secretary of Agriculture [may] *shall* enter into multiyear set-aside contracts for a period not to extend beyond the [1990] *1995* crops. Such contracts may be entered into only as a part of the programs in effect for the 1986 through [1990] *1995* crops of wheat, feed grains, upland cotton, and rice, and only producers participating in one or more of such programs shall be eligible to contract with the Secretary under this section. Producers agreeing to a multiyear set-aside agreement shall be required to devote [the set-side acreage to vegetative cover capable of maintaining itself through such period to provide soil protection, water quality enhancement, wildlife production, and natural beauty. Grazing] *50 percent of the set-aside acreage to a perennial cover crop or an annual cover crop each year that is capable of naturally improving water quality, improving habitat for wildlife, or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise. Seasonal flooding with shallow water shall be considered to be acceptable cover crop for the purpose of this section. Haying or grazing* of livestock under this section shall be prohibited, except in areas of a major disaster, as determined by the President, if the Secretary finds there is a need for such *haying or* grazing as a result of such disaster. Producers entering into agreements under this section shall also agree to comply with all applicable State and locals laws and regulations governing noxious weed control.

(5) To be eligible to enter into a multi-year set-aside agreement and receive cost share assistance under this section a producer shall designate the same cropland each crop year for all agricultural set-aside and acreage limitation programs that are involved in multi-year set-aside programs, except that those croplands necessary for normal crop rotation or those lands used for changes in farm operations shall be exempt from this requirement. Each producer shall establish on such acreage a perennial cover crop or an annual cover crop that is capable of naturally improving soil fertility, reducing water problems, improving water quality, improving habitat for wildlife or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan for such land require otherwise.

* * * * * * *

DETERMINATIONS OF THE SECRETARY

SEC. 1017. (a) The first sentence of section 385 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1385) is amended by inserting "extra long staple cotton," after "upland cotton,".

(b) The Secretary of Agriculture shall determine the rate of loans, payments, and purchases under a program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for of the 1986 through [1990] *1995* crops of a commodity without regard to the requirements for notice and public participation in rulemaking prescribed in section 553 of title 5, United States Code, or in any directive of the Secretary.

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

SEC. 1018. Effective only for the 1986 through [1990] *1995* crops of wheat, feed grains, upland cotton, and rice, subsection (k) of section 408 of the Agricultural Act of 1949 (7 U.S.C. 1428(k)) is amended to read as follows:

* * * * * * *

NORMAL SUPPLY

SEC. 1019. Notwithstanding any other provision of law, if the Secretary of Agriculture determines that the supply of wheat, corn, upland cotton, or rice for the marketing year for any of the 1986 through [1990] *1995* crops of such commodity is not likely to be excessive and that program measures to reduce or control the planted acreage of the crop are not necessary, such a decision shall constitute a determination that the total supply of the commodity does not exceed the normal supply and no determination to the contrary shall be made by the Secretary with respect to such commodity for such marketing year.

TITLE XI—TRADE

Subtitle A—Public Law 480 and Use of Surplus Commodities in International Programs

* * * * * * *

FOOD FOR PROGRESS

SEC. 1110. (a) * * *

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(g) Not more than 500,000 metric tons of commodities may be furnished under this section in each of the fiscal years 1986 through [1990] *1995.*

(h)*(1)* An agreement entered into under this section shall prohibit the resale or transshipment of the commodities provided under the agreement to other countries.

(2) No person may act as an agent, broker, consultant, or other representative of—

(A) the Federal Government,

(B) an importer, or

(C) an importing country

in connection with commodities provided under this section during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

(3) No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this section unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

(4) No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this section may be paid in excess of an amount determined appropriate by the President.

* * * * * * *

(1) This section shall be effective during the period beginning October 1, 1985, and ending September 30, [1990] *1995.*

Subtitle B—Maintenance and Development of Export Markets

* * * * * * *

TARGETED EXPORT ASSISTANCE [1]

[SEC. 1124. (a) for export activities authorized to be carried out by the Secretary of Agriculture or the Commodity Credit Corporation, in addition to any funds or commodities otherwise required under this Act to be used for such activities—

[(1) for each of the fiscal years ending September 30, 1986, through September 30, 1987, the Secretary shall use under this section not less than $110,000,000 of the funds, or commodities owned by, the Corporation;

[(2) for the fiscal year 1988, the Secretary shall use under this section not less than $215,000,000 of the funds, or commodities owned by, the Corporation, except that the Secretary shall use funds or commodities of the Corporation in excess of $110,000,000 only to the extent appropriations to reimburse the Corporation for such additional expenditures of funds or distribution of commodities are made available in advance to carry out this section;

[(3) for the fiscal year 1989, the Secretary shall use under this section not less than $325,000,000 of the funds, of commodities owned by, the Corporation; and

[(4) for the fiscal year 1990, the Secretary shall use under this section not less than $200,000,000 of the funds, or commodities owned by, the Corporation.

[(b)(1) Except as provided in paragraph (3), funds or commodities made available for use under this section shall be used by the Secretary only to counter or offset the adverse effect on the export of a United States agricultural commodity or the product thereof of a subsidy (as defined in paragraph (2)), import quotas, or other unfair trade practices of a foreign country.

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[1] This section is repealed effective October 1, 1991.

[(2) As used in paragraph (1), the term subsidy includes an export subsidy, tax rebate on exports, financial assistance on preferential terms, financial assistance for operating losses, assumption of costs or expenses of production, processing, or distribution, a differential export tax or duty exemption, a domestic consumption quota, or other method of furnishing or ensuring the availability of raw materials at artificially low prices.

[(3)(A) Funds or commodities made available for use under this section may be used by the Secretary to assist organizations consisting of producers or processors of United States agricultural commodities in amounts necessary to compensate the organizations for reasonable expenses incurred in defending countervailing duty actions instituted after January 1, 1986, in foreign countries to offset the benefits of the agricultural programs provided for under the Agricultural Act of 1949 (7 U.S.C 1421 *et seq.*). In no event may such assistance exceed $500,000 for the defense of any one countervailing duty action.

[(B) If the Secretary declines to make funds or commodities available under this paragraph, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the reasons for declining to make the funds or commodities available.

[(c) The Secretary shall provide export assistance under this section on a priority basis in the case of—

[(1) agricultural commodities and the products thereof with respect to which there has been a favorable decision under section 301 of the Trade Act of 1974 (19 U.S.C. 2411); or

[(2) agricultural commodities and the products thereof for which exports have been adversely affected, as defined by the Secretary, by retaliatory actions related to a favorable decision under section 301 of the Trade Act (19 U.S.C. 2411).]

SHORT-TERM CREDIT

SEC. 1125. (a) * * *

(b) Effective for the fiscal year ending September 30, 1986 and each fiscal year thereafter through the fiscal year ending September 30 [1990] *1995,* the Commodity Credit Corporation shall make available not less than $5,000,000,000 in credit guarantees under its export credit guarantee program for short-term credit extended to finance the export sale of United States agricultural commodities and the products thereof, including wood and processed wood products

* * * * * * *

(d)*(1)* For the purposes of this section, the term "wood and processed wood products" but is not limited to logs, lumber (boards, timber, millwork, molding, flooring, and siding), veneer, panel products (plywood, particle board, and fiberboard), utility and telephone poles, other poles and posts, railroad ties, wood pulp, and wood chips.

(2) In making available any guarantees under subsection (b) with respect to wood and processed wood products, the Commodity Credit Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products.

(e) Foreign Agricultural Components.—The Commodity Credit Corporation shall guarantee under any program conducted under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not guarantee under this section the value of any foreign agricultural component.

(f) Records.—(1) In general.—In the administration of the program established under this section, the Secretary shall require exporters under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter relating to the program transaction for the 5-year period following the completion of the program transaction.

(2) Non-program transactions.—The Secretary may require exporters participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

* * * * * * *

[DEVELOPMENT AND EXPANSION OF MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES [1]

[Sec. 127. (a)(1) Notwithstanding any other provisions of law, the Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall formulate and carry out a program under which agricultural commodities and the products thereof acquired by the Commodity Credit Corporation are provided to United States exporters, users, and processors and foreign purchasers at no cost to encourage the development, maintenance, and expansion of export markets for United States agricultural commodities and the products thereof, including value-added or high-value agricultural products produced in the United States.

[(2)(A) The term "agricultural commodities", as used in this section in referring to United States agricultural commodities, includes, but is not limited to—

[(i) wheat, feed grains, upland cotton, rice, soybeans, and dairy products produced in the United States;

[(ii) any other agricultural commodity produced in the United States that is determined by the Secretary of Agriculture to be in surplus supply and that can be purchased with funds available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935; and

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[1] This section is repealed effective October 1, 1991.

[(iii) products of the commodities and products described in clauses (i) and (ii) that are process in the United States.

[(B) United States agricultural commodities, as described in clause (ii) of subparagraph (A), may not be purchased with funds available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935, for the sole purpose of use under the program under this section; and such commodities, or products thereof, may not be furnished to a United States user, exporter, processor, or foreign purchaser under the program under this section except by mutual agreement of such user, exporter, processor, or purchaser and the Secretary.

[(3) In carrying out paragraph (a), the Secretary may provide such commodities in order to make United States commodities more competitive and shall, to the extent necessary, provide such commodities and products—

[(A) to counter or offset—

[(i) the adverse effect on the export of a United States agricultural commodity or the product thereof of a subsidy (as defined in paragraph (4)) or other unfair trade practice of a foreign country that directly or indirectly benefits producers, processors, or exporters of agricultural commodities in such foreign country;

[(ii) the adverse effects of United States agricultural price support levels that are temporarily above the export prices offered by overseas competitors in export markets; or

[(iii) fluctuations in the exchange rate of the United States dollar against other major currencies; and

[(B) in conjunction with an intermediate export credit program conducted by the Commodity Credit Corporation—

[(i) for the export sale of breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations; and

[(ii) for the establishment of facilities in the importing nation to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities (through the use of local currency generated from the import and sale of United States agricultural commodities or the products thereof to finance all or part of such facilities).

[(4) As used in paragraph (3)(A)(i), the term "subsidy" includes an export subsidy, tax rebate on exports, financial assistance on preferential terms, financial assistance for operating losses, assumption of costs or expenses of production, processing, or distribution, a differential export tax or duty exemption, a domestic consumption quota, or other method of furnishing or ensuring the availability of raw materials at artificially low prices.

[(b) In carrying out the program established by this section, the Secretary of Agriculture—

[(1) shall take such action as may be necessary to ensure that the program provides equal treatment to domestic and foreign purchasers aqnd users of United States agricultural commodities and the products thereof in any case in which the importation of a manufactured product made, in whole or in part, from a commodity or the product thereof made available for export under this section would place domestic users of the commodity or the product thereof at a competitive disadvantage;

[(2) may consider for participation all interested United States exporters, processors, and users and interested foreign purchasers, and may give priority to sales to countries that have traditionally purchased United States agricultural commodities and products;

[(3) shall encourage increased use and avoid displacing usual marketings of United States agricultural commodities and the products thereof;

[(4) shall take reasonable precautions to prevent the resale or transshipment to other countries, or use for other than domestic use in the importing country, of agricultural commodities or the products thereof the export of which is assisted under this section; and

[(5) may provide to a United States exporter, user, processor, or foreign purchaser, under the program, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

[(c)(1) If a country does not meet the financial qualifications for export credit or credit guarantees provided by the Commodity Credit Corporation, the Secretary may provide to such country agricultural commodities and the products thereof acquired by the Corporation to the extent necessary to reduce the cost to such country of purchasing United States agricultural commodities and to allow such country to meet such qualifications.

[(2) The Secretary shall review and adjust annually the quantity of commodities provided to a country under paragraph (1) in order to encourage such country to palce greater reliance on increased use of commercial trade to melet the qualifications referred to in paragraph (1).

[(d)(1) In carrying out this section, the Secretary may make green dollar export certificates available to commercial exporters of United States agricultural commodities and the products thereof.

[(2) The Secretary shall make such certificates available under such terms and conditions as the Secretary determines appropriate.

[(3) The amounts of such certificates to be made available to an exporter may be determined.

[(A) on the basis of competitive bids submitted by exporters; or

[(B) by announcement of the Secretary.

[(4)(A) An exporter may redeem a green dollar export certificate for commodities owned by the Commodity Credit Corporation.

[(B) For purposes of redeeming such certificates, the Secretary may establish values for such commodities that are different than the acquisition prices of such commodities.

[(5) Such certificates—

[(A) may be transferred among commercial exporters of United States agricultural commodities; and

[(B) shall be redeemed within 6 months after the date of issuance.

[(e) The Secretary of Agriculture shall carry out the program established by this section through the Commodity Credit Corporation.

[(f) Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

[(g) The program established under this section shall be in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.

[(h) The authority provided under this section shall terminate on September 30, 1990.

[(i) During the period beginning October 1, 1985, and ending September 30, 1990,[23] the Secretary shall use agricultural commodities and the products thereof referred to in subsection (a) to carry out this section, except that the value of the commodities and products may not be less than $1,000,000,000, no more than $2,500,000,000. To the maximum extent practicable, such commodities shall be used in equal amounts during each of the years in such period.]

* * * * * *

Subtitle E—Trade Practices

* * * * * * *

[THAI RICE

[SEC. 1165. (a) Congress finds that—

[(1) Rice ranks 9th among major domestic field crops in value of production;

[(2) Rice accounts for about 5 percent of the value of major field crops produced in the United States;

[(3) The value of domestic rice production annually is over $1,500,000,000;

[(4) Ending stocks for rice have sharply increased since 1980;

[(5) The projected 1985–1986 carryover of rice as a percentage of annual use is 62 percent;

[(6) Between 1980 and 1983, rice stocks rose and prices fell, pushing rice program costs from less than one-tenth to over nine-tenths of the value of United States rice production;

[(7) Over the last several years, percentage of world rice exports from the United States has fallen from a high of 25 percent to 18 percent in 1985;

[(8) In the last several years, Thailand has become the largest rice exporter in the world, accounting for 30 percent of the world market;

[(9) Thai rice imports into the United States have displaced normal sales of United States rice and have increased Government costs;

[(10) In 1983, the United States imported 33.2 million pounds of rice from Thailand, in 1984 the United States imported 51.3 million pounds of rice (an increase of 53 percent), and in the first six months of 1985, rice imports from Thailand to the United States have already reached 58.3 million pounds; and

[(11) A petition has been filed with the Department of Commerce asking that countervailing duties be imposed upon imports of Thai rice into the United States.

[(b) Based upon these findings, it is the sense of Congress that—

[(1) our domestic rice industry is of vital importance and must be protected from unfair foreign competition; and

[(2) the Secretary of Commerce should give immediate consideration to the countervailing duty petition referred to in subsection (a)(11).]

* * * * * * *

TITLE XII—CONSERVATION

Subtitle A—Definitions

DEFINITIONS

SEC. 1201. (a) For purposes of subtitles A through [E:] *E, H, and I:*

(1) The term "agricultural commodity" means—

* * * * * * *

[(16) The term "wetland", except when such term is part of the term "converted wetland", means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances does support, a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.]

(16) The term "wetland", except when such term is part of the term "converted wetland", means land that—

(A) has a predominance of hydric soils;

(B) is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalance of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

(C) under normal circumstances does support a prevalence of such vegetation.

For purposes of this Act, and any other Act, this term shall not include lands in Alaska identified as having high potential for agricultural development which have a predominance of permafrost soils.

* * * * * * *

Subtitle B—Highly Erodible Land Conservation

PROGRAM INELIGIBILITY

SEC. 1211. Except as provided in section 1212, and notwithstanding any other provision of law, following the date of enactment of this Act, any person who in any crop year produces an agricultural commodity on a field on which highly erodible land is predominate, *or designates land on which highly erodible land is predominant to be set aside, diverted, devoted to conservation uses, or otherwise not cultivated under a program administered by the Secretary to reduce production of an agricultural commodity, as determined by the Secretary*

(1) as to any commodity produced during that crop year by such person—

(A) any type of price support or payment made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act;

(B) a farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714(h));

(c) crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);

(D) a disaster payment made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), *under section 132 of the Disaster Assistance Act of 1989 (16 U.S.C. 1421 note), or under any similar provision enacted subsequent to August 14, 1989*; or

(E) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that the proceeds of such loan will be used for a purpose that will contribute to excessive erosion of highly erodible land; **[**or**]**

(2) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) during such crop year for the storage of an agricultural commodity acquired by the Commodity Credit Corporation**[**.**]***; or*

(3) during such crop year—

(A) a payment made under section 8, section 12 or section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l or 590p(b));

(B) a payment made under section 401 or section 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 or 2202);

(C) a payment under any contract entered into pursuant to section 1231;

(D) a payment under section 1281;

(E) a loan under section 1256; or

(F) a payment, loan or other assistance under section 3 or section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 or 1006a).

EXEMPTIONS

SEC. 1212. (a)(1) During the period beginning on the date of the enactment of this Act and ending on the later of January 1, 1990, or the date that is 2 years after the date land on which a crop of an agricultural commodity is produced *or that is designated to be set aside, diverted, devoted to conservation uses, or otherwise not cultivated under a program administered by the Secretary to reduce production of an agricultural commodity, as determined by the Secretary* was mapped by the Soil Conservation Service for purposes of classifying such land under the land capability classification system in effect on the date of enactment of this Act, except as provided in paragraph (2), no person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the production of a crop of an agricultural commodity on any land that was—

(A) cultivated to produce any of the 1981 through 1985 crops of an agricultural commodity; or

(B) set aside, diverted or otherwise not cultivated under a program administered by the Secretary for any such crops to reduce production of an agricultural commodity.

(2) If, as of January 1, 1990, or 2 years after the Soil Conservation Service has completed a soil survey for the farm, whichever is later, a person is actively applying a conservation plan that documents the decisions of the person with respect to location, land use, tillage systems, and conservation treatment measures and schedule and that is based on the local Soil Conservation Service technical guide and approved by the local soil conservation district, in consultation with the local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the Secretary, or by the Secretary, such person shall have until January 1, 1995, to comply with the plan without being subject to program ineligibility. *The Secretary shall not approve any conservation plan or any revision to any conservation plan subsequent to the date of enactment of the Food and Agricultural Resources Act of 1990 unless, in addition to the requirements of the preceding sentence, the Secretary determines such plan or revision will reduce erosion by at least 50 percent from the level that would occur if conservation measures were not applied, unless the Secretary determines such level of reduction is not feasible.* In carrying out this subsection, the Secretary, Soil Conservation Service, and local soil conservation districts shall minimize the quantity of documentation a person must submit to comply with this paragraph.

(b) No person shall become ineligible under section 1211 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity—

(1) planted before the date of enactment of this Act; *or*

(2) planted during any crop year beginning before the date of enactment of this Act[;].

(c) No person shall become ineligible under section 1211 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity or the designation of land to be set aside, diverted, devoted to conservation uses, or otherwise not

cultivated under a program administered by the Secretary to reduce production of an agricultural commodity (hereafter "set aside")—

[(3)] *(1)* on highly erodible land in an area—

(A) within a conservation district, under a conservation system that has been approved by a conservation district after the district has determined that the conservation system is in conformity with technical standards set forth in the Soil Conservation Service technical guide for such district; or

(B) not within a conservation district, under a conservation system determined by the Secretary to be adequate for the production of such agricultural commodity on any highly erodible land subject to this title; or

[(4)] *(2)* on highly erodible land that is planted *or set aside* in reliance on a determination by the Soil Conservation Service that such land was not highly erodible land, except that this paragraph shall not apply to any agricultural commodity that was planted *or set aside* on any land after the Soil Conservation Service determines that such land is highly erodible land; [or]

[(5)] *(3)* on highly erodible land planted to alfalfa during each of the 1981 through 1985 crop years as part of a rotation practice approved by the Secretary, if the person has submitted a conservation plan based on the local Soil Conservation Service technical guide and approved by the local soil conservation district, in consultation with the local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the Secretary, such person shall have until June 1, 1988, to comply with the plan without being subject to program ineligibility under section 1211[.]*; or*

(4) for any action or inaction associated with applying a conservation plan if such action or inaction is minor or inadvertent and if such person has made a good faith effort to comply with this section, as determined by the Secretary. However, the Secretary shall reduce any payment, loan, or assistance specified under section 1211 for such person by such amounts as the Secretary determines to be equitable in light of the degree of noncompliance of such action and shall require the person to come into compliance as soon as practicable.

[(c)] *(d)* Section 1211 shall not apply to a loan described in section 1211 made before the enactment of this Act.

(e) If a tenant is determined to be ineligible for payments and other benefits under section 1211, the Secretary may limit such ineligibility only to the farm which is the basis for such ineligibility determination if—

(1) the tenant has established to the satisfaction of the Secretary that—

(A) the tenant has made a good faith effort to meet the requirements of this section, including enlisting the assistance of the Secretary to create a conservation plan for such farm; and

(B) the landlord or another tenant on the farm refuses to comply with such plan on such farm; and

(2) the Secretary determines that such lack of compliance is not a part of a scheme or device to avoid such compliance.

The Secretary shall provide an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the ineligibility determinations limited during the previous 12-month period under this subsection.

* * * * * * *

Subtitle C—Wetland Conservation

PROGRAM INELIGIBILITY

SEC. 1221. Except as provided in section 1222 and notwithstanding any other provision of law, following [the date of enactment of this Act, any person who in any crop year produces an agricultural commodity on converted wetland shall be ineligible for—] *December 23, 1985, any person who in any crop year produces an agricultural commodity on converted wetland or who in any crop year subsequent to the date of enactment of the Food and Agricultural Resources Act of 1990 converts a wetland for the purpose or to have the effect of making the production of an agricultural commodity possible on such converted wetland by draining, dredging, filling, leveling, or any other means shall be ineligible for—*

(1) as to any commodity produced during that crop year by such person—

(A) * * *

* * * * * * *

(D) a disaster payment made under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), *under section 132 of the Disaster Assistance Act of 1989 (16 U.S.C. 1421 note), or under any similar provision enacted subsequent to August 14, 1989;* or

(E) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that the proceeds of such loan will be used for a purpose that will contribute to conversion of wetlands (other than as provided in this subtitle) to produce an agricultural commodity; [or]

(2) a payment made under section 4 or 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b or 714c) during such crop year for the storage of an agricultural commodity acquired by the Commodity Credit Corporation[.]*; or*

(3) a payment made under section 8, section 12 or section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l or 590p(b));

(4) a payment made under section 401 or section 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 or 2202);

(5) a payment under any contract entered into pursuant to section 1231;

(6) a payment under section 1281;

(7) a loan under section 1256; or

(8) a payment, loan or other assistance under section 3 or section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 or 1006a).

EXEMPTIONS

[Sec. 1222. (a) No person shall become ineligible under section 1221 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity on—

[(1) converted wetland if the conversion of such wetland was commenced before the date of enactment of this Act;

[(2) an artificial lake, pond, or wetland created by excavating or diking non-wetland to collect and retain water for purposes such as water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control;

[(3) a wet area created by a water delivery system, irrigation, irrigation system, or application of water for irrigation; or

[(4) wetland on which production of an agricultural commodity is possible as a result of a national condition, such as drought, and without action by the producer that destroys a natural wetland characteristic.

[(b) Section 1221 shall not apply to a loan described in section 1221 made before the date of the enactment of this Act.

[(c) The Secretary may exempt a person from section 1221 for any action associated with the production of an agricultural commodity on converted wetland if the effect of such action, individually and in connection with all other similar actions authorized by the Secretary in the area, on the hydrological and biological aspect of wetland is minimal.]

DELINEATION OF WETLANDS; EXEMPTIONS

Sec. 1222. (a) Delineation of Wetlands—(1) Map.—The Secretary shall delineate wetlands on a map. The Secretary shall make a reasonable effort to make an on-site wetland determination whenever requested by an owner or operator.

(2) Certification.—After providing notice to affected owners or operators, the Secretary shall certify each such map as sufficient for the purpose of making determinations of ineligibility for program benefits under section 1221 and shall, in accordance with section 1243, provide an opportunity to appeal such delineations to the Secretary prior to making such certification. Prior to rendering a decision on any such appeal, the Secretary shall conduct an on-site inspection of the subject land.

(3) Public list.—The Secretary shall maintain a public listing of all such certifications that have been completed.

(4) Review of prior determinations.—The Secretary shall review and certify the accuracy of the mapping of all lands mapped prior to the date of enactment of the Food and Agricultural Resources Act of 1990 for the purpose of wetland delineations to ensure that wetland on such lands has been accurately delineated.

(5) Periodic review and update.—The Secretary shall provide by regulation a process for the periodic review and update of such wetland delineations as the Secretary deems appropriate. No person

shall be adversely affected because of having taken an action based on a previous determination by the Secretary.

(b) Exemptions.—No person shall become ineligible under section 1221 for program loans, payments, and benefits—

(1) as the result of the production of an agricultural commodity on—

(A) converted wetland if the conversion of such wetland was commenced before December 23, 1985;

(B) an artificial lake, pond, or wetland created by excavating or diking non-wetland to collect and retain water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control;

(C) a wet area created by a water delivery system, irrigation, irrigation system, or application of water for irrigation; or

(D) wetland on which the owner or operator of a farm or ranch uses normal cropping or ranching practices to produce agricultural commodities in a manner that is consistent for the area as a result of natural conditions without action by the producer that destroys a natural wetland characteristic; or

(2) for the conversion of—

(A) an artificial lake, pond, or wetland created by excavating or diking non-wetland to collect and retain water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control; or

(B) a wet area created by a water delivery system, irrigation, an irrigation system, or the application of water for irrigation.

(c) On-Site Inspection Requirement.—No program loans, payments, or benefits shall be withheld from a person under this subtitle unless the Secretary has conducted an on-site visit of the subject land.

(d) Prior Loans.—Section 1221 shall not apply to a loan described in section 1221 made before December 23, 1985.

(e) Non-Wetlands.—The Secretary shall exempt from the ineligibility provisions of section 1221 any action by a person upon lands in any case in which the Secretary determines that any one of the following does not apply with respect to such lands:

(1) Such lands have a predominance of hydric soils.

(2) Such lands are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.

(3) Such lands, under normal circumstances, support a prevalence of such vegetation.

(f) Minimal Effect; Mitigation.—The Secretary shall exempt a person from the ineligibility provisions of section 1221 for any action associated with the production of an agricultural commodity on a converted wetland, or the conversion of a wetland, if, as determined by the Secretary—

(1) such action, individually and in connection with all other similar actions authorized by the Secretary in the area, will have a minimal effect on the functional hydrological and biological value of the wetland, including the value to waterfowl and wildlife; or

(2) such wetland has been frequently cropped prior to the date of such action and the wetland values, acreage, and functions are mitigated by the producer through the restoration of a converted wetland, the conversion of which occurred prior to December 23, 1985, where such restoration is—

(A) in accordance with a restoration plan;

(B) in advance of, or concurrent with, such action;

(C) not at the expense of the Federal Government;

(D) on not greater than a one for one acreage basis unless more acreage is needed to provide equivalent functions and values that will be lost as a result of such wetland conversion or production;

(E) on lands in the same general area of the local watershed as the converted wetland; and

(F) on lands that the owner has agreed to subject to a perpetual unpaid easement (or an easement for the maximum term allowed by applicable State law) subject to the provisions of section 1282(a).

(g) MITIGATION APPEALS.—A producer shall be afforded the right to appeal, under section 1243, the provisions of any mitigation agreement requiring greater than one to one mitigation to which the producer is subject.

(h) GOOD FAITH EXEMPTION; GRADUATED PENALTIES.—(1) GOOD FAITH EXEMPTION.—Except to the extent provided in paragraph (2), no person shall become ineligible under section 1221 for program loans, payments, and benefits as the result of the conversion of a wetland, or the production of an agricultural commodity on a converted wetland, subsequent to the date of enactment of this subsection, if—

(A) such person, under an agreement entered into with the Secretary, agrees to fully restore the characteristics of the converted wetland to its prior wetland state; and

(B) the Secretary determines that—

(i) the person has not otherwise violated the provisions of section 1221 in any 10-year period on a farm; and

(ii) such person converted a wetland, or produced an agricultural commodity on a converted wetland, in good faith and without the intent to violate the provisions of section 1221.

(2) GRADUATED PENALTIES.—If the Secretary determines that a person who has violated the provisions of section 1221 meets the requirements of paragraph (1), the Secretary shall, in lieu of applying the ineligibility provisions in section 1221, reduce by not less than $750 nor more than $10,000, (depending on the seriousness of the violation) program benefits described in section 1221 that such producer would otherwise be eligible to receive in a crop year.

(i) RESTORATION.—Any person who is determined to be ineligible for program benefits under section 1221 for any crop year shall not be ineligible for such program benefits under such section for any

subsequent crop year if, prior to the beginning of such subsequent crop year, the person has fully restored the characteristics of the converted wetland to its prior wetland state.

(j) DETERMINATIONS; RESTORATION AND MITIGATION PLANS; REPORTING; MONITORING ACTIVITIES—(1) DETERMINATIONS; PLANS.—Determinations and the development of restoration and mitigation plans under this section shall be made through the agreement of the local representative of the Soil Conservation Service and a representative of the Fish and Wildlife Service. If agreement cannot be reached at the local level under the preceding sentence, such determinations shall be referred to the State Conservationist, who in making a determination under this paragraph, shall consult with the Fish and Wildlife Service.

(2) REPORT OF DETERMINATIONS.—The State Conservationist and the representative of the Fish and Wildlife Service referred to in paragraph (1) shall report to their respective national offices concerning all determinations made under paragraph (1) at the State level as a result of an agreement not being reached at the local level.

(3) MONITORING ACTIVITIES.—The Secretary shall conduct such monitoring activities as are necessary to ensure the success and effectiveness of the wetland restoration efforts under this section.

CONSULTATION WITH SECRETARY OF THE INTERIOR

SEC. 1223. The Secretary shall consult with the Secretary of the Interior on such determinations and actions as are necessary to carry out this subtitle, including—

(1) the identification of wetland;

(2) the determination of exemptions under section 1222; [and]

(3) the issuance of regulations under section 1244 to carry out this subtitle[.]*, and*

(4) mitigation; and

(5) the restoration of wetland values and functions on converted wetland as required under this subtitle.

SEC. 1224. FAIRNESS OF COMPLIANCE.

It the actions of an unrelated person or public entity, outside the control of and without the prior approval of the landowner or tenant result in a change in the characteristics of cropland that would cause the land to be determined to be as wetland, the affected land shall not be considered to be wetland and program benefits may not be denied under this Act for the conversion of such lands.

Subtitle D—Conservation Reserve

[CONSERVATION RESERVE

[SEC. 1231. (a) During the 1986 through 1990 crop years, the Secretary shall formulate and carry out a conservation reserve program, in accordance with this subtitle, through contracts to assist owners and operators of highly erodible cropland in conserving and improving the soil and water resources of their farms or ranches.

[(b) The Secretary shall enter into contracts with owners and operators of farms and ranches containing highly erodible cropland to place in the conservation reserve—

[(1) during the 1986 crop year, not less than 5, nor more than 45, million acres;

[(2) during the 1986 through 1987 crop years, a total of not less than 15, nor more than 45, million acres;

[(3) during the 1986 through 1988 crop years, a total of not less than 25, nor more than 45, million acres;

[(4) during the 1986 through 1989 crop years, a total of not less than 35, nor more than 45, million acres; and

[(5) during the 1986 through 1990 crop years, a total of not less than 40, nor more than 45, million acres.

[(c)(1)(A) Notwithstanding subsection (b), effective for each of the fiscal years 1986 through 1989, the Secretary may reduce by up to 25 percent the number of acres of highly erodible land required to be placed under contract during each fiscal year if the Secretary determines that the rental payments to be made under section 1233(b) on such acres are likely to be significantly lower in the succeeding year.

[(B) Paragraph (A) shall not affect the requirements of paragraph (5) of subsection (b).

[(2) The Secretary may include in the program established under this subtitle lands that are not highly erodible lands but that pose an off-farm environmental threat or, if permitted to remain in production, pose a threat of continued degradation of productivity due to soil salinity.

[(d) Under the program established under this subtitle, the Secretary shall not place under contract more than 25 percent of the cropland in any one county, except that the Secretary may exceed the limitation established by this subsection in a county to the extent that the Secretary determines that such action would not adversely affect the local economy of such county.

[(e) For the purpose of carrying out this subtitle, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

[(f) For purposes of this subtitle, alfalfa and other multiyear grasses and legumes, in a rotation practice approved by the Secretary, shall be considered agricultural commodities.]

SEC. 1231. CONSERVATION RESERVE.

(a) In General.—(1) Program.—During the 1986 through 1995 crop years, the Secretary shall formulate and carry out a conservation reserve program through the use of contracts to assist owners and operators of lands specified in subsection (b) to conserve and improve the soil and water resources of such lands.

(2) Crop year.—For purposes of this subsection, the term "crop year" means the calendar year in which the crop is normally harvested.

(b) Eligible Lands.—The Secretary may include in the program established under this subtitle—

(1) highly erodible croplands that—

(A) if permitted to remain untreated could substantially reduce the production capability for future generations; or

(B) cannot be farmed in accordance with a plan under section 1212 or 1274;

(2) marginal pasture lands converted to wetland, or established as wildlife habitat;

(3) marginal pasture lands established to trees in or near riparian areas, not to exceed 10% of the number of acres of land that is placed in the conservation reserve under this subtitle in each of the 1991 through 1995 crop years;

(4) croplands that are otherwise not eligible—

(A) if the Secretary determines such lands contribute to the degradation of water quality or would pose an on-site or off-site environmental threat to water quality if permitted to remain in agricultural production;

(B) if such croplands are newly-created, permanent grass sod waterways, or are contour grass sod strips established and maintained as part of an approved conservation plan;

(C) that are planted to trees, or are living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips;

(D) that are farmed wetland if wildlife values and functions are restored by conversion to a less intensive use; or

(E) if the Secretary determines that such lands pose an off-farm environmental threat or pose a threat of continued degradation of productivity due to soil salinity if permitted to remain in production; and

(5) croplands on which the Secretary has prevented the production of agricultural commodities.

(c) ENROLLMENT.—(1) IN GENERAL.—The Secretary shall provide opportunities and give public notice thereof for owners and operators of farms and ranches to enroll eligible lands in the conservation reserve.

(2) MAXIMUM ENROLLMENT.—The Secretary may enter into contracts under this section to place in the conservation reserve up to 45 million acres.

(3) COUNTY LIMIT.—Under the programs established under this subtitle, the Secretary shall not place under contract more than 25 percent of the cropland in any one county any land on which easements are acquired pursuant to subtitle I, except that the Secretary may exceed the limitation established by this paragraph in a county to the extent that the Secretary determines that such action would not adversely affect the local economy of such county and producers in such county are having difficulties complying with conservation plans.

(d) CONTRACT PERIOD.—For the purpose of carrying out this subtitle, the Secretary shall enter into contracts of 10 years. With respect to any new or existing contract on land to be devoted to hardwood trees, the owner or operator may extend such contract to a term not to exceed 15 years.

DUTIES OF OWNERS AND OPERATORS

SEC. 1232. (a) *PLAN.*—Under the terms of a contract entered into under this subtitle, during the term of such contract, an owner or operator of a farm or ranch must agree—

(1) to implement a plan approved by the local conservation district (or in an area not located within a conservation district, a plan approved by the Secretary) for converting [highly erodible cropland] *eligible lands* normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use (as defined by the Secretary), such as pasture, permanent grass, legumes, forbs, shrubs, or trees, substantially in accordance with a schedule outlined in the plan;

* * * * * * *

(4) to establish approved vegetative [cover] *or water cover for the enhancement of wildlife* on such land;

(5) *in addition to the remedies provided under section 1236(d),* on the violation of a term or condition of the contract at any time the owner or operator has control of such land—

(A) to forefeit all rights to receive rental payments and cost sharing payments under the contract and to refund to the Secretary any rental payments and cost sharing payments received by the owner or operator under the contract, together with interest thereon as determined by the Secretary, if the Secretary, after considering the recommendations of the soil conservation district and the Soil Conservation Service, determines that such violation is of such nature as to warrant termination of the contract; or

(B) to refund to the Secretary, or accept adjustments to, the rental payments and cost sharing payments provided to the owner or operator, as the Secretary considers appropriate, if the Secretary determines that such violation does not warrant termination of the contract;

* * * * * * *

(7) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that the Secretary may permit harvesting or grazing or other commercial use of the forage on land that is subject to the contract in response to a drought or other similar emergency *and the Secretary may permit limited fall and winter grazing on such land that is incidental to the gleaning of crop residues on the fields in which such land is located for an applicable reduction in rental payment*;

* * * * * * *

(b) *REQUIRED PROVISIONS.*—The plan referred to in subsection (a)(1)—

(1) shall set forth—

(A) the conservation measures and practices to be carried out by the owner or operator during the term of the conract; and

(B) the commercial use, if any, to be permitted on the land during such term; and

(2) may provide for the permanent retirement of any existing cropland base and allotment history for the land.

[(c) To the extent practicable, not less than one eighth of the number of acres of land that is placed in the conservation reserve under this subtitle in each of the 1986 through 1990 crop years shall be devoted to trees.]

(c) Agroforestry—(1) In general.—The Secretary may permit agricultural commodities to be produced on land that is subject to contracts entered into under this chapter, if—

(A) such land is planted to hardwood trees;

(B) such agricultural commodities will be produced in conjunction with, and in proximity to, such hardwood trees; and

(C) the owner or operator of such land agrees to implement appropriate conservation practices concerning such land, including agroforestry alley cropping.

(2) Definition.—For the purposes of this subsection, the term "agroforestry alley cropping" shall mean the practice of planting rows of trees bordered on each side by a narrow strip of groundcover, alternated with wider strips of row crops or grain.

(3) Bid system.—The Secretary shall develop a bid system by which owners and operators may offer to reduce their annual rental payments in exchange for permission to produce agricultural commodities on such land. The Secretary shall not accept offers under this paragraph that provide for less than a 50 percent reduction in such annual payments.

(4) Extension of contracts.—(A) The Secretary may extend any contract entered into under this subtitle for not more than 5 years for owners or operators who plant trees in accordance with this subsection.

(B) Notwithstanding subparagraph (A), the Secretary shall ensure that the total annual rental payments over the term of any contract modified under this subsection are not in excess of that specified in the original contract.

(d) Environmental Use.—To the extent practicable, not less than one-eighth of land that is placed in the conservation reserve under this subtitle during the 1991 through 1995 crop years shall be devoted to trees, shrubs, hydrophytic vegetation, critical area seedings, or other non-crop vegetation or water that provides a permanent habitat for wildlife including migratory waterfowl.

(e) Expiration of Contract.—Upon the expiration of the contract, highly erodible land that was the subject of such contract shall be subject to the provisions of subtitle B. The conservation plan referred to in section 1212(a)(2) shall be fully implemented with respect to such lands by the owner or operator not later than 2 years after the date on which the contract expires or such longer period of time as determined appropriate by the Secretary if such plan requires structures to be constructed.

DUTIES OF THE SECRETARY

Sec. 1233. In return for a contract entered into by an owner or operator under section 1232, the Secretary shall—

(1) share the cost of carrying out the *under quality and* conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest;

[(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—

[(A) the conversion of highly erodible cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use; and

[(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently; and]

(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in accordance with section 1234; and

(3) provide conservation technical assistance to assist the owner or operator in carrying out the contract.

PAYMENTS

SEC. 1234. (a) *TIME OF PAYMENT.*—The Secretary shall provide payment for obligations incurred by the Secretary under a contract entered into under this subtitle—

(1) with respect to any cost-sharing payment obligation incurred by the Secretary, as soon as possible after the obligation is incurred; and

(2) with respect to any annual rental payment obligation incurred by the Secretary—

(A) as soon as practicable after October 1 of each calendar year; or

(B) at the discretion of the Secretary, at any time prior to such date during the year that the obligation is incurred.

(b) *COST SHARING—(1) IN GENERAL.*—In making cost sharing payments to owners and operators under contracts entered into under this subtitle, the Secretary shall pay 50 percent of the cost of establishing *water quality and* conservation measures and practices set forth in such contracts for which the Secretary determines that cost-sharing is appropriate and in the public interest. *In the case of contracts under this subtitle for acreage planted to indigenous trees, the Secretary shall pay not less than 50 percent and not more than 75 percent of the reasonable and necessary costs associated with establishing trees on such acreage, as determine by the Secretary, taking into consideration the amount necessary to ensure that the acreage levels planted to trees specified in section 1231 are attained. Such cost share assistance may include the costs of establishing windbreaks, shelterbelts, wildlife corridors, and filter strips and other costs incurred by such owner or operator for maintaining new tree plantings (including the cost of replanting, cultivation, nutrient needs, and disease and insect control) during the 2 to 4 year period beginning on the date the acreage is planted to trees, as determined by the Secretary. The Secretary may permit owners or operators who contract to convert at least 10 acres of land to the production of indigenous trees under this subtitle to extend the planting of such trees over a 3-year period if at least one-third of such trees are planted in each of the first 2 years. An owner or operator who receives cost-share assistance under this subsection shall not receive* *any other Federal cost-share assistance with respect to such land under any other provision of law.*

(2) MAXIMUM.—The Secretary shall not make any payment under this subtitle to the extent that the total amount of cost sharing payments provided to such owners and operators from all sources would exceed 100 percent of such costs.

[(c)(1) In determining the amount of annual rental payments to be paid to owners and operators for converting highly erodible cropland normally devoted to the production of an agricultural commodity to less intensive use, the Secretary may consider, among other things, the amount necessary to encourage owners or operators of highly erodible cropland to participate in the program established by this subtitle.

[(2) The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subtitle may be determined through—

[(A) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

[(B) such other means as the Secretary determines are appropriate.

[(3) In determining the acceptability of contract offers, the Secretary may—

[(A) take into consideration the extent of erosion on the land that is the subject of the contract and the productivity of the acreage diverted;

[(B) where appropriate, accept contract offers that provide for the establishment of—

[(i) shelterbelts and windbreaks; or

[(ii) permanently vegetated stream borders, filter strips of permanent grass, forbs, shrubs, and trees that will reduce sedimentation substantially;

[(C) establish different criteria in various States and regions of the United States to determine the extent to which erosion may be abated; and

[(D) give priority to offers made by owners and operators who are subject to the highest degree of economic stress, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities.]

(c) ANNUAL PAYMENTS.—(1) IN GENERAL.—The annual rental payments for eligible lands enrolled in the conservation reserve under this subtitle shall be based on comparable local rental rates.

(2) ACCEPTABILITY OF OFFERS.—In determining the acceptability of contract offers, the Secretary may—

(A) take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, or provide other environmental benefits;

(B) where appropriate, accept contract offers that provide for the establishment of—

(i) shelterbelts, windbreaks, or living snow fences; or

(ii) permanently vegetated stream borders, filter strips of permanent grass, forbs, shrubs, and trees that will substantially enhance water quality; and

(C) establish different criteria in various States and regions of the United States to determine the extent to which water quality may be improved or erosion may be abated.

(d)**[**(1)**]** *Form of Payment—(1) In general.*—Except as otherwise provided in this section, payments under this subtitle—

(A) shall be made in cash or in commodities in such amount and on such time schedule as is agreed on and specified in the contract; **[**and**]**

(B) may be made in advance of determination of performance**[**.**]***; and*

(C) shall not exceed the prevailing local rental rate for comparable land.

(2) *In-kind commodities.*—If such payment is made with in-kind commodities, such payment shall be made by the Commodity Credit Corporation—

(A) by delivery of the commodity involved to the owner or operator at a warehouse or other similar facility located in the county in which the highly erodible cropland is located or at such other location as is agreed to by the Secretary and the owner or operator; *or*

(B) by the transfer of negotiable warehouse receipts**[**; or

[(C) by such other method, including the sale of the commodity in commercial markets, as is determined by the Secretary to be appropriate to enable the owner or operator to receive efficient and expeditious possession of the commodity**]**.

(3) *Substitution of cash payment.*—If stocks of a commodity acquired by the Commodity Credit Corporation are not readily available to make full payment in kind to the owner or operator, the Secretary may substitute full or partial payment in cash for payment in kind.

(4) State payments.—Payments to a producer under a special conservation reserve enhancement program described in subsection (f)(4) shall be in the form of cash only.

(e) *Payment to Person Other Than Owner.*—If an owner or operator who is entitled to a payment under a contract entered into under this subtitle dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

(f)**[**(1)**]** *Payment Limitation.—(1) Limitation.*—The total amount of rental payments, including rental payments made in the form of in-kind commodities, made to an owner or operator under this subtitle for any fiscal year may not exceed $50,000.

(2) *Regulations.*—(A) The Secretary shall issue regulations—

(i) defining the term "person" as used in this subsection; and

(ii) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in this subsection.

(B) The regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970 (7 U.S.C. 1307), shall be used to determine whether corporations and their stockholders may be considered as separate persons under this subsection.

(3) *OTHER PAYMENTS.*—Rental payments received by an owner or operator shall be in addition to, and not affect, the total amounts of payments that such owner or operator is otherwise eligible to receive under this Act, *the Food and Agricultural Resources Act of 1990,* or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

(4) *SPECIAL CONSERVATION RESERVE ENHANCEMENT PROGRAM.*—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987, shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special conservation reserve enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this subtitle.

(g) EXEMPTION FROM SEQUESTRATION.—Notwithstanding any other provision of law, no order issued for any fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902), shall affect any contract entered into under this subtitle.

(h) OTHER STATE PAYMENTS.—In addition to any payment under this subtitle, an owner or operator may receive cost share assistance, rental payments, or tax benefits from a State or subdivision thereof for enrolling lands in the conservation reserve program.

(h) The Secretary shall permit owners and operators with contracts in effect under this subtitle on the date of enactment of this subsection to convert areas of highly erodible cropland that are planted to grass under such contract to the planting of indigenous trees. The owner or operator shall not require the Secretary, through such conversion, to incur any additional expense on such acres, including the expense involved in the original establishment of the vegetative cover, that is in excess of the average per acre indigenous tree planting expense in the same area. If the original term of contract with respect to land to be planted to indigenous trees under the previous sentence was less than 15 years, the owner or operator may extend such contract to a term of no more than 15 years.

CONTRACTS

SEC. 1235. (a)**[**(1)**]** *PERIOD OF OWNERSHIP REQUIREMENTS—(1) IN GENERAL.*—No contract shall be entered into under this subtitle concerning land with respect to which the ownership has changed in the 3-year period preceding the first year of the contract period unless—

(A) the new ownership was acquired by will or succession as a result of the death of the previous owner;

[(B) the new ownership was acquired before January 1, 1985;

[(C)**]** *(B)* the Secretary determines that the land was acquired under circumstances that give adequate assurance that such land was not acquired for the purpose of placing it in the program established by this subtitle; or

[(D)] *(C)* the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law.

(2) *EXCEPTIONS.*—Paragraph (1) shall not—

(A) prohibit the continuation of an agreement by a new owner after an agreement has been entered into under this subtitle *unless the original owner retains a contingent interest in the land as determined by the Secretary;* or

(B) require a person to own the land as a condition of eligibility for entering into the contract if the person—

(i) has operated the land to be covered by a contract under this section for at least 3 years preceding the date of the contract [or since January 1, 1985, whichever is later]; and

(ii) controls the land for the contract period.

(b) *TRANSFER OF LAND.*—If during the term of a contract entered into under this subtitle an owner or operator of land subject to such contract sells or otherwise transfers the ownership or right of occupancy of such land, the new owner or operator of such land may—

[(1) continue such contract under the same terms or conditions;

[(2)] *(1)* enter into a new contract in accordance with this subtitle; or

[(3)] *(2)* elect not to participate in the program established by this subtitle.

(c)[(1)] *MODIFICATION.—(1) IN GENERAL.*—The Secretary may modify a contract entered into with an owner or operator under this subtitle if—

(A) the owner or operator agrees to such modification; and

(B) the Secretary determines that such modification is desirable—

(i) to carry out this subtitle;

(ii) to facilitate the practical administration of this subtitle; or

(iii) to achieve such other goals as the Secretary determines are appropriate, consistent with this subtitle.

(2) *PRODUCTION OF COMMODITIES.*—The Secretary may modify or waive a term or condition of a contract entered into under this subtitle in order to permit all of part of the land subject to such contract to be devoted to the production of an agricultural commodity during a crop year, subject to such conditions as the Secretary determines are appropriate.

(3)(A) The Secretary shall modify or waive a term or condition of a contract entered into under this subtitle in order to permit sustained-yield harvesting of timer or related resources by the owner or operator of such land during the last 3 years of the contract period if such owner or operator agrees to retire permanently the cropland base and allotment history applicable to such land subject to the conservation reserve contract.

(B) The Secretary shall provide additional compensation to an owner or operator referred to in subparagraph (A) who agrees to

retire permanently cropland base and allotment history, as referred to in subparagraph (A).

(d)[(1)] *Termination—(1) In general.*—The Secretary may terminate a contract entered into with an owner or operator under this subtitle if—

(A) the owner or operator agrees to such termination; and

(B) the Secretary determines that such termination would be in the public interest.

(2) At least 90 days before taking any action to terminate under paragraph (1) all conservation reserve contracts entered into under this subtitle, the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agricultrue, Nutrition, and Forestry of the Senate.

BASE HISTORY

Sec. 1236. (a) *Reduction With Respect to Annual Production Adjustment Program.*—A reduction, based on a ratio between the total cropland acreage on the farm and the acreage placed in the conservation reserve authorized by this subtitle, as determined by the Secretary, shall be made during the period of the contract, in the aggregate, in crop bases, quotas, and allotments on the farm with respect to crops for which there is a production adjustment program.

(b) *Preservation of Base.*—Notwithstanding sections 1211 and 1221, the Secretary, by appropriate regulation, may provide for preservation of cropland base and allotment history applicable to acreage converted from the production of agricultural commodities under this section, for the purpose of any Federal program under which the history is used as a basis for participation in the program or for an allotment or other limitation in the program, unless the owner and operator agree under the contract to retire permanently that cropland base and allotment history.

(c) Extended Base Protection.—The Secretary shall offer the owner or operator of a farm or ranch an opportunity to extend the preservation of cropland base and allotment history pursuant to subsection (b) for up to 10 years after the expiration date of a contract under this subtitle at the request of such owner or operator. In return for such extension, the owner or operator shall agree to continue to abide by the terms and conditions of the original contract, except that—

(1) such owner or operator shall receive no cost share, annual rental or bonus payment; and

(2) the Secretary may permit, subject to such terms and conditions, haying and grazing of acreage placed in the conservation reserve established under this subtitle for the purpose of meeting any requirement established under this Act except during any consecutive 5 month period that is established by the State committee. Each 5 month period shall be established during the period beginning April 1 and ending October 31 of a year. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

(d) VIOLATION OF TERM OR CONDITION.—In addition to any other remedy prescribed by law, the Secretary may reduce or terminate the amount of cropland base and allotment history preserved pursuant to subsection (c) for acreage with respect to which a violation of a term or condition occurs.

Subtitle E—Administration

USE OF COMMODITY CREDIT CORPORATION

SEC. 1241. (a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987, the Secretary shall use the facilities, services, authorities, and funds of the Commodity Credit Coroation to carry out subtitle D.

(2) During the fiscal year ending September 30, 1988, and each fiscal year thereafter, the Secretary may use the facilities, services, authorities, and funds of the Commodity Credit Corporation to carry out [subtitle D,] *subtitles D, H, and I,* except that the Secretary may not use funds of the Corporation for such purpose unless the Corporation has received funds to cover such expenditures from appropriations made to carry out this subtitle.

(b) The authority provided by [subtitles (A) through (E)] *subtitles A through E, H, and I* shall be in addition to, and not in place of, other authority granted to the Secretary and the Commodity Credit Corporation.

USE OF OTHER AGENCIES

SEC. 1242. (a) In carrying out subtitles B, C, [and D,] *D, H, and I,* the Secretary shall use the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)).

(b)(1) In carrying out [subtitle D,] *subtitles D, H, and I,* the Secretary may utilize the services of the Soil Conservation Service and the Forest Service, the Fish and Wildlife Service, State forestry agencies, State fish and game agencies, land-grant colleges, local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h), soil and water conservation districts, and other appropriate agencies.

(2) In carrying out [subtitle D] *subtitles D, H, and I* at the State and county levels, the Secretary shall consult with, to the extent practicable, the Fish and Wildlife Service, State forestry agencies, State fish and game agencies, land-grant colleges, soil-conservation districts, and other appropriate agencies.

ADMINISTRATION

SEC. 1243. (a) The Secretary shall establish, by regulation, an appeal procedure under subtitles [A through E] *A through E, H, and I* may seek review of such determination.

* * * * * * *

(c) In carrying out subtitles [B through E,] *B through E, and H* the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the [program established by subtitle D] *programs established by subtitles D and H.*

(d) In making detrminations under this title and in conducting appeals from any determination made under this title, the Secretary shall act as expeditiously as possible but shall provide adequate safeguards to protect the interests of the persons involved in such determination.

(e) The Secretary shall annually review the number and status of appeals pending under this title at the district, area, and state conservationist level, and shall identify those such appeals that have been pending in excess of 120 days. The Secretary shall annually report to Congress the results of such review.

REGULATIONS

SEC. 1244. *(a)* Not later than 180 days after the date of enactment of this Act, the Secretary shall issue such regulations as the Secretary determines are necessary to carry out subtitles A through E, including regulations that—

(1) define the term "person";

(2) govern the determination of persons who shall be ineligible for program benefits under subtitles B and C, so as to ensure a fair and reasonable determination of ineligibility; and

(3) protect the interests of landlords, tenants, and sharecroppers.

(b) Not later than 180 days after the date of enactment of this subsection, the Secretary shall issue such regulations as the Secretary determines are necessary to carry out subtitles H, and I, including regulations that address, with respect to such subtitles, paragraphs (1), (2), and (3) of subsection (a).

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1245. There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out subtitles [A though E] *A through E, H, and I.*

Subtitle F—Other Conservation Provisions

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SEC. 1256. TREE PLANTING INITIATIVE.

(a) Maintenance, Afforestation, and Reforestation of Forest Lands—(1) Policy.—It is the policy of the United States to—

(A) promote the retention and management of lands currently in forest cover as forested lands;

(B) provide for the reforestation of Federal, State, and private non-industrial forest lands following timber harvest or loss of cover due to fire, insect damage, disease or damaging weather;

(C) encourage the reforestation of previously forested lands and the afforestation of marginal agricultural lands; and

(D) promote the planting of trees and the proper management of existing forest lands to reduce soil erosion, improve water quality, enhance fish and wildlife habitat, and provide for the

sustained production of the commodity and non-commodity resources that these lands can provide to meet the Nation's needs.

(2) IMPLEMENTATION OF POLICY.—The Secretary is encouraged to use the following programs to accomplish the policy identified in subsection (a)(1):

(A) The conservation reserve established under subtitle D of this title (16 U.S.C. 3831 et seq.).

(B) The agricultural conservation program authorized by sections 7 through 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g through 590o, 590p(a), 590p(f), and 590(g) and sections 1001 through 1008 and 1010 of the Agricultural Act of 1970 (16 U.S.C. 1501 through 1508 and 1510).

(C) The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) as amended.

(D) The provisions of title XVI of the Food and Agricultural Resources Act of 1990.

(b) AGREEMENTS WITH STATE FORESTRY AGENCIES.—The Secretary shall encourage owners and operators of cropland who enter into agreements in accordance with this section to enlist the cooperative assistance of the State Forester or equivalent State official in obtaining technical and financial assistance for tree planting and maintenance activities in accordance with the provisions title XV of the Food and Agricultural Resources Act of 1990.

SEC. 1257. NATURAL RESOURCES LOAN PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a natural resources loan program to encourage the alleviation of natural resource conservation problems that reduce the productive capacity of the Nation's land and water resources or that cause degradation of environmental quality.

(b) IMPLEMENTATION.—The Secretary shall, beginning within 180 days of enactment of this Act, make loans available in cash or in kind to eligible agricultural producers for those resource conservation and environmental enhancement measures that are determined necessary by the applicable county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act in consultation with the Extension Service, the Soil Conservation Service, the applicable conservation district, and the Fish and Wildlife Service, or are included in the water quality protection plan prepared and approved under subtitle H of this Act.

(c) TERM AND INTEREST RATE.—Loans made under this section shall be for a period not to exceed ten years at a rate of interest based upon the rate of interest charged the Commodity Credit Corporation by the United States Treasury on the date such loans are made.

(d) LIMITATION.—The Secretary may make loans to any one producer in any fiscal year in an amount not to exceed $50,000; loans up to $25,000 in amount may be unsecured and loans in excess of $25,000 shall be secured; and the total of such unsecured and secured loans made in each fiscal year shall not exceed $100,000,000.

(e) APPROPRIATIONS.—There are hereby authorized to be appropriated such sums as are necessary to implement this section.

SEC. 1258. SOIL AND WATER LOANS.

(a) Soil and Water Loan Program.—The Secretary may provide loans for soil and water conservation and protection. The Secretary may make or insure loans under this section to farm owners or tenants who are eligible borrowers under subtitle A of title III of the Agricultural Act of 1961 for—

(1) the installation of conservation structures, including terraces, sod waterways, permanently vegetated stream borders and filter strips, windbreaks (tree or grass), shelterbelts, and living snow fences;

(2) the establishment of forest cover for sustained timber yield timber management, erosion control, or shelterbelt purposes;

(3) the establishment or improvement of permanent pasture;

(4) the conversion to and maintence of substainable agricultrural production systems, as described by Department technical guides and handbooks;

(5) the payment of costs of complying with section 1212 of this Act; and

(6) other purposes consistent with plans for soil and water conservation, integrated farm management, water quality protection, and wildlife habitat improvement.

(b) Priority.—In making or insuring loans under this section, the Secretary shall give priority to producers who use such loans to build conservation structures or establish conservation practices to comply with section 1212 of this Act.

(c) Limitation on the Amount of Loan.—The Secretary shall make or insure no loan under this section that exceeds the lesser of—

(1) the value of the farm or other security for such loan, or

(2) $50,000.

Subtitle G—State Technical Committees

SEC. 2161. ESTABLISHMENT.

(a) In General.—The Secretary shall establish in each State a Technical Committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

(b) Standards.—Not later than 180 days after enactment of this section, the Secretary shall develop standards to be used by the State Technical Committee in the development of technical guidelines under section 1262(b) for the implementation of the conservation provisions of this title.

(c) Composition.—Each State Technical Committee established under subsection (a) shall be composed of professional resource managers that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences. Such committee shall include such representatives as may serve from among—

(1) the Soil Conservation Service;

(2) the Agricultural Stabilization and Conservation Service;

(3) the Forest Service;

(4) the Extension Service;

(5) the Farmers Home Administration;

(6) the Fish and Wildlife Service;

(7) State departments and agencies which the Secretary deems appropriate, including

(A) the State fish and wildlife agency;

(B) the State forester;

(C) the State water resources agency;

(D) the State department of agriculture; and

(E) the State association of soil and water conservation districts; and

(8) other agency personnel with expertise in soil, water, wetland, and wildlife management as the Secretary determines appropriate.

SEC. 1262. RESPONSIBILITIES.

(a) IN GENERAL.—Each Committee established under section 1261 shall meet regularly to provide information, analysis, and recommendations to appropriate officials of the Department of Agriculture who are charged with implementing the conservation provisions of this title. Such information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining matters of fact, technical merit, or scientific question. Data, analysis, and recommendations shall be provided in writing and shall reflect the best professional information and judgment of the Committee. The Secretary shall coordinate activities conducetd under this section with those conducted under section 1371 of the Food and Agricultural Resources Act of 1990.

(b) WETLAND AND WILDLIFE HABITAT PROTECTION GUIDELINES.—(1) DEVELOPMENT OF TECHNICAL GUIDES.—Not later than one year after enactment of this section each State Technical Committee shall develop technical guides for the implementation of the Wetland Preservation and Wildlife Habitat Improvement Options of the Agricultural Water Quality Protection Programs under section 1273.

(2) CONTENT OF GUIDES.—(A) The technical guides required under this subsection shall include detailed information on the selection of crops and crop-plant varieties, cover crops, rotation practices, tillage systems, nutrient management, biological control practices (including biologically intensive integrated pest management practices), soil, water, and natural resource conservation, and other practices useful in developing practices pursuant to such option.

(B) The technical guides required under subsection (a) shall provide standards and practical instructions for implementation of water quality improvement, wetland protection and wildlife habitat improvement practices based on existing scientific and technical knowledge.

(C) In consultation with the panel established under section 1314 of the Food and Agricultural Resources Act of 1990, the Secretary may enter into contracts with persons who are eligible to conduct research projects under subtitle B of title XIII of such Act to assist in the development and periodic revision of the technical guides described in this subsection.

(c) OTHER DUTIES.—Each Technical Committee shall provide assistance and offer recommendations with respect to the technical aspects of—

(1) wetland protection, restoration, and mitigation requirements;

(2) criteria to be used in evaluating bids for enrollment of environmentally-sensitive lands in the conservation reserve program;

(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on set-aside acreage;

(4) highly erodible lands exemptions and appeals;

(5) wetland and conservation compliance exemptions and appeals;

(6) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program; and

(7) other matters determined appropriate by the Secretary.

(d) AUTHORITY.—Each Committee established under section 1261 is advisory and shall have no implementation or enforcement authority. However, the Secretary shall give strong consideration to the recommendations of such Committees in administering the programs under this title, and to the factual, technical, or scientific findings and recommendations under the Committee's responsibility.

Subtitle H—Water Quality Protection Program

SEC. 1271. FINDINGS AND STATEMENT OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) the protection of ground water and surface water is essential for the health and well-being of rural America;

(2) agricultural non-point and point source pollution has been identified by States as contributing to surface and ground water degradation in the United States;

(3) the agricultural community desires to protect surface and ground water against pollution;

(4) many existing farming practices and systems have the potential for preventing such pollution by minimizing pollutants at the source while maintaining agricultural productivity and profitability;

(5) these farming practices and systems usually constitute the most cost-effective and environmentally-sound approach to protecting and enhancing water quality and the environment as affected by agriculture; and

(6) State and Federal environmental laws increasingly give priority to pollution prevention to protect the environment, natural resources including wildlife, and human health.

(b) STATEMENT OF POLICY.—The policy of Congress is that water quality protection, including source reduction of agricultural pollutants, henceforth shall be an important goal of the programs and policies of the Department of Agriculture. Furthermore, agricultural producers in environmentally sensitive areas should request assistance to develop and implement on-farm water quality protection plans in order to assist in compliance with State and Federal environmental laws and to enhance the environment.

SEC. 1272. DEFINITIONS.

As used in this subtitle—

(1) AGRICULTURAL WATER QUALITY PROTECTION PRACTICE.—The term "agricultural water quality protection practice"

means a farm-level practice or a system of practices designed to protect water quality by mitigating or reducing the release of agricultural pollutants, including nutrients, pesticides, animal waste, sediment, salts, biological contaminants, and other materials, into the environment.

(2) SOURCE REDUCTION.—The term "source reduction" means minimizing the generation, emission, or discharge of agricultural pollutants or wastes through the modification of agricultural production systems and practices.

SEC. 1273. AGRICULTURAL WATER QUALITY PROTECTION PROGRAM.

(a) INCENTIVES.—(1) IN GENERAL.—During the 1991 through 1995 crop years, the Secretary shall formulate and carry out a voluntary incentive program, in accordance with this subtitle, through agreements to assist owners and operators of a farm in developing and implementing a water quality protection plan pursuant to this section.

(2) AGREEMENTS.—The Secretary shall enter into agreements of up to 5 years upon the request of owners and operators of farms in eligible areas and shall not initiate any such agreements beyond December 31, 1995.

(3) DUTIES OF OWNERS AND OPERATORS.—In order to receive annual incentive payments, an owner or operator of a farm must agree—

(A) to implement a water quality protection plan approved by the Secretary subject to the agreement established under this subtitle;

(b) not to conduct any practice on the farm specified in the approved water quality protection plan as a practice that would tend to defeat the purposes of this subtitle;

(C) to comply with such additional provisions as the Secretary determines are desirable and are included in the agreement to carry out the water quality protection plan or to facilitate the practical administration of the program;

(D) on the violation of a term or condition of the agreement at any time the owner or operator has control of the land to refund any incentive or cost share payment received with interest and forfeit any future such payments as determined by the Secretary; and

(E) on the transfer of the right and interest of the owner or operator in land subject to the agreement, unless the transferee of such agrees with the Secretary to assume all obligations of the agreement, to refund any such cost-share and incentive payments received under this subtitle, as determined by the Secretary.

(4) WETLAND OR WILDLIFE HABITAT OPTIONS.—(A) COST SHARE ASSISTANCE.—Owners and operators who voluntarily agree to develop and implement agricultural production practices, in concert with their water quality protection plan, that preserve and enhance wetland or wildlife habitat, shall also be eligible to receive cost-share assistance for the implementation of such practices. The Secretary shall develop procedures for approving such agricultural practices, as a part of the water quality protection paln, that qualify for cost-share assistance.

(B) WETLAND PRESERVATION AND WILDLIFE HABITAT IMPROVEMENT OPTIONS.—(i) The Secretary shall encourage owners and operators who choose the wetland preservation option to implement, improve and maintain agricultural production practices, in concert with their water quality protection plan, that are designed to preserve and enhance existing wetland and to restore converted wetland to their natural state.

(ii) The Secretary shall encourage owners and operators who choose the wildlife habitat improvement option to implement, improve and maintain agricultural production practices, in concert with their water quality protection plan, that are designed to improve on-farm wildlife habitat, including the establishment of perennial cover, the protection of riparian areas, and the creation of wildlife corridors and areas of critical habitat for endangered species.

(5) DUTIES OF THE SECRETARY.—In return for an incentive agreement voluntarily entered into under this subtitle, the Secretary shall assist the owner or operator in the protection and improvement of surface and groundwater quality and related resources by—

(A) providing an eligibility assessment of the farming operation as a basis for developing the water quality protection plan and any options associated with such plan;

(B) providing technical assistance in developing and implementing agricultural water quality protection plans;

(C) providing an annual incentive payment for developing and implementing agricultural production practices in accordance with an approved water quality protection plan submitted by the owner or operator;

(D) providing cost share assistance for implementing the wetland preservation or wildlife habitat improvement options; and

(E) ensuring that participants receive adequate information, education, and training to aid in implementation of a plan.

(6) PAYMENTS.—(A) TERMS.—Payments shall be made for a period of up to 5 years, as determined appropriate by the Secretary, as specified in the agreement entered into under this subtitle.

(B) AMOUNTS.—(i) In determining the amount of incentive payment to be made to a participant under this subtitle, the Secretary shall consider, among other things, the amount necessary on a per acre basis to encourage producers to participate, additional costs incurred by the producer, and the production values forgone, if any, in implementing the practices.

(ii) Cost-share payments shall be made in an amount not to exceed 50 percent of the cost of the eligible practice.

(C) LIMITATIONS.—Payments to a participant agreement to implement a plan on acres devoted to the production of an agricultural commodity under this subtitle shall not exceed—

(i) $3500 per person year in the form of incentive payments; and

(ii) not more than an additional $1500 per person per year in the form of cost share assistance.

(D) OTHER PROGRAMS.—Payments received by an owner or operator under this subtitle shall be in addition to, and not affect, the total amount of payments that such owner or operator is otherwise eligible to receive under this Act or the Agricultural Act of 1949 (7

U.S.C. 1421 et seq.), except that payments for a practice or practices shall not be made under this subtitle if payments or assistance is provided for such practice under any other Federal program.

(7) Modifications.—The Secretary may modify an agreement entered into with a participant under this subtitle if the paricipant agrees to such modificaiton and the Secretary determines such modifications are desirable to—

(A) carry out this subtitle;

(B) facilitate the practical administration of this subtitle; or

(C) achieve such other goals as the Secretary determines are appropriate, consistent with this subtitle;

(8) Termination.—The Secretary may terminate an agreement entered into with a participant under this subtitle if—

(A)(i) the producer agrees to such termination; or

(ii) the producer violates the terms and conditions of the agreement; and

(B) the Secretary determines that such termination would be in the public interest.

(9) Refunds.—The Secretary shall obtain refunds of incentive and cost-share payments with interest if an agreement is terminated unless it is determined by the Secretary not to be in the public interest.

(10) Base and yield protection.—An owner or operator agreeing to implement an approved water quality protection plan pursuant to this subtitle shall by regulations established by the Secretary, receive program payment yield and base protection on the farm during the agreement period.

(11) Acreage levels.—The Secretary shall, to the extent possible, seek to enter into agreements with participants to place into the program a total of not less than 20 million acres during the 1991 through 1995 crop years.

(b) Content of Plans.—Agricultural water quality protection plans should include as applicable, but not limited to—

(1) a description of the prevailing farm enterprises, cropping patterns, and cultural practices, and other information that may be relevant to protecting water quality on the farm;

(2) a description of farm resources, including soil characteristics, proximity to water bodies, and other relevant characteristics of the farm related to water quality;

(3) to the extent practicable, specific, quantitative water quality protection goals and objectives that will minimize contamination or degradation of surface or ground water;

(4) a range of water quality protection practices that will, if implemented by a producer, assist such producer in complying with State and Federal environmental laws, and where appropriate, will complement conservation plans prepared for highly erodible lands under section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(5) the specific agricultural production practices that will be implementd, improved and maintained, including practices that ensure continued farm productivity and profitability by promoting the efficient use of fertilizers, other crop nutrients, and pesticides, as well as any management practices that are to

be avoided, in order to carry out and achieve the water quality goals and objectives of the producer;

(6) to the extent practicable, water quality protection practices for safe storage, mixing and loading of pesticides and fertilizers, and storage and handling of animal waste;

(7) the timing and sequence for implementing such practices that will assist the producer in complying with State and Federal environmental laws, taking into consideration schedules that may be established in such laws; and

(8) information that will enable the producer to evaluate the effectiveness of the plan in protecting water quality.

(c) PLAN DEVELOPMENT.—The Secretary shall establish a procedure to enable agricultural producers to develop agricultural water quality protection plans pursuant to this section with the local Soil Conservation Service office.

(d) PROTECTION OF CONFIDENTIALITY.—The Secretary shall protect the confidentiality of the information contained in these plans to the extent confidentiality is provided under current law to information contained in conservation plans under section 1212. The Secretary shall provide notice to producers that information contained in the plans developed under this subsection will be available to the public upon request.

(e) PLAN APPROVAL.—The Secretary shall develop procedures for and approve water quality protection plans.

(f) ACCEPTANCE OF CONTRACTS.—The Secretary shall begin accepting contracts within one year.

(g) FEDERAL OR STATE PROVISIONS.—The requirements of this section are intended to supplement and support the provisions of other State and Federal laws. This section in no way replaces or substitutes for any other State or Federal laws.

SEC. 1274. ELIGIBLE LANDS.

(a) ELIGIBLE LANDS.—Lands eligible for enrollment in the program pursuant to section 1273 or for technical assistance pursusant to section 1275 shall include—

(1) impaired watersheds identified by a State pursuant to section 319 of the Clean Water Act (33 U.S.C. 1329);

(2) wellhead protection areas defined under the Safe Drinking Water Act (42 U.S.C. 300h-7);

(3) other areas recommended by State lead agencies for environmental protection as designated by a Governor of a State; or

(4) in consultation with the Secretary, other areas recommended by the Administrator of the Environmental Protection Agency or the Secretary of the Interior.

(b) PRIORITY LANDS.—In accepting agreements pursuant to this section and providing assistance pursuant to section 1275, the Secretary shall give priority to lands on which agricultural production has been determined to contribute to, or creates, the potential for failure to meet applicable water quality standards or the goals and requirements of Federal or State laws governing surface and ground water quality as determined by the Secretary in consultation with State officials having responsibility for monitoring and protecting water quality.

SEC. 1275. TECHNICAL ASSISTANCE FOR WATER QUALITY PROTECTION.

(a) IN GENERAL.—Upon request, the Secretary shall provide technical assistance to agricultural producers on eligible lands to assist such producers in developing and implementing agricultural water quality protection plans.

(b) FIELD OFFICE TECHNICAL GUIDES FOR WATER QUALITY PROTECTION.—(1) DEVELOPMENT.—The Secretary shall develop handbooks and local field office technical guides describing a process to assist agricultural producers in preparing and implementing on-farm agricultural water quality protection plans necessary to assist in complying with State and Federal environmental laws, and to implement the agricultural water quality protection policy established by this subtitle.

(2) CONTENT.—The guides required under this subsection shall reflect local agronomic, economic and ecological conditions, and include and describe in detail—

(A) procedures to identify potential sources of pollution on a farm;

(B) to the extent practicable, a range of water quality protection practices, and their economic cost and benefit, that is suitable to local ecological characteristics and prevailing farm enterprises and that complement conservation plans prepared for highly erodible lands under section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(C) storage, mixing, and loading practices for on-farm pesticide and fertilizer use to protect water quality;

(D) any information regarding relevant State and Federal environmental laws that may impact upon the producer;

(E) criteria to evaluate the effectiveness of on-farm plans in protecting water quality and provide aggregate data to aid in evaluating compliance with State and Federal environmental laws; and

(F) means to evaluate the economic costs and benefits of agricultural water quality protection practices, including source reduction practices.

(3) DEADLINE.—Local field office technical guides shall be developed for environmentally sensitive areas no later than two years after such areas have been designated as such under State or Federal environmental law and up-dated periodically, but not less than every two years, to incorporate any improved water quality protection practices; and

(4) CONSULTATION.—The Secretary shall consult with the Administrator of the Environmental Protection Agency, the Secretary of the Interior, and with relevant State agencies in developing handbooks and field office technical guides under this section to ensure that such handbooks and guides contain accurate and up-to-date technical information on practices designed to protect water quality.

(c) PERSONNEL.—The Secretary shall designate the Soil Conservation Service as the lead agency for purposes of providing technical assistance in connection with implementing this subtitle, and shall assign such personnel from the Extension Service, Agricultural Research Service, and other agencies as are necessary to fulfill the purposes of this subtitle. The Secretary may request the services of the State water quality agencies, State fish and wildlife agencies, State

forestry agencies, or any other source deemed appropriate to assist in providing the technical assistance necessary for the development and implementation of the water quality protection plans.

SEC. 1276. REPORT TO CONGRESS.

Not later than September 30, 1992, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report describing the degree of participation in the planning process and program established in this subtitle, including the number of plans that have been prepared, any information on the number of plans that are in implementation, including the number and acreage of farms engaged in planning by type of environmentally sensitive area, any information relevant for evaluating the effectiveness of agricultural water quality plans in protecting water quality and the economic costs and benefits of the plans if implemented, and other information pertinent to implementation of this subtitle. A final report shall be submitted no later than September 30, 1994.

Subtitle I—Wetland and Environmental Easement Program

SEC. 1281. WETLAND AND ENVIRONMENTAL EASEMENT PROGRAM.

(a) Establishment.—The Secretary shall, during the 1991 through 1995 crop years, formulate and carry out a wetland and environmental easement program (hereafter in this subtitle referred to as the 'easement program') in accordance with this subtitle, through the acquisition of perpetual easements or easements for the maximum term permitted under applicable State law from willing owners of eligible farms or ranches in order to ensure the continued long-term protection of environmentally sensitive lands or reduction in the degradation of water quality on such farms or ranches through the continued conservation and improvement of soil and water resources.

(b) Eligible Land.—(1) In General.—The Secretary may acquire easements under this section on land placed in the conservation reserve under subtitle D (other than such land that is likely to continue to remain out of production and that does not pose an off-farm environmental threat), land under the Water Bank Act (16 U.S.C. 1301), or other cropland that—

(A) is farmed wetland;

(B) is adjacent to wetland that is functionally dependent on such cropland;

(C) is converted wetland converted prior to December 23, 1985, the restoration of which is deemed important by the Secretary for the protection of water quality or wildlife;

(D) contains riparian corridors that provide a link between wetland or that is adjacent to waterways, streams, or other water bodies;

(E) is an area of critical habitat for wildlife, especially threatened or endangered species; or

(F) contains other environmentally sensitive areas, as determined by the Secretary, that would prevent a producer from complying with other Federal, State, or local environmental goals if commodities were to be produced on such land.

(2) Ineligible land.—The Secretary may not acquire easements on—

(A) land that contains timber stands established under the conservation reserve under subtitle D; or

(B) pasture land established to trees under the conservation reserve under subtitle D.

(3) Termination of existing contract.—The Secretary may terminate any existing contract entered into under section 1231(a) if the land that is subject to such contract is transferred into the program established by this subtitle.

(c) Acreage Limitation.—The Secretary shall not require easements on more than 10 percent of the cropland in any one county and easements may be acquired only to the extent that such easements, together with lands placed in the conservation reserve under section 1231(c)(3), shall not exceed 25 percent of the cropland in any one county, except that the Secretary may exceed the limitation established by this paragraph in a county to the extent that the Secretary determines that such action would not adversely affect the local economy of such county and producers in such county are having difficulties complying with conservation plans.

(d) National Agricultural Wetland Reserve.—(1) Establishment.—The Secretary shall establish as a component of the easement program established under this section a national agricultural wetland reserve.

(2) Enrollment.—The Secretary shall seek to enroll 2,500,000 acres of wetland and associated areas in the national agricultural wetland reserve during fiscal years 1991 through 1995.

(3) Priority.—In establishing the national agricultural wetland reserve, the Secretary, in consultation with the Secretary of the Interior, shall place priority on acquiring easements based on the value of the easement for protecting wetland and associated areas and enhancing habitat for migratory birds and other wildlife.

SEC. 1282. DUTIES OF OWNERS; COMPONENTS OF PLAN.

(a) Duties of Owners.—(1) Plan.—In conjuction with the creation of an easement on any lands under this subtitle, the owner of the farm or ranch wherein such lands are located must agree to implement a natural resource conservation management plan approved by the Secretary in consultation with the Secretary of the Interior.

(2) Agreement.—In return for the creation of an easement on any lands under this subtitle, the owner of the farm or ranch wherein such lands are located must agree—

(A) to the creation and recordation of an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to under this subtitle with respect to such lands;

(B) to provide a written statement of consent to such easement signed by those holding a security interest in the land;

(C) to comply with such additional provisions as the Secretary determines are desirable and are included in the easement to carry out this subtitle or to facilitate the practical administration thereof;

(D) to specify the location of any timber harvesting on land subject to the easement; harvesting and commercial sales of

Christmas trees and nuts shall be prohibited on such land, except that no such easement or related agreement shall prohibit activities consistent with customary forestry practices, such as pruning, thinning, or tree stand improvement on lands converted to forestry uses;

(E) to limit the production of any agricultural commodity on such land only to production for the benefit of wildlife;

(F) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the easement unless specifically provided for in the easement or related agreement, nor adopt any similar practice specified in the easement or related agreement that would tend to defeat the purposes of this subtitle, as determined by the Secretary;

(G) not to adopt any other practice specified in the easement or related agreement that would tend to defeat the purposes of this subtitle, as determined by the Secretary;

(3) Violation on the violation of the terms or conditions of such related agreement, the owner shall have the responsibility—

(i) to refund to the Secretary any cost share payments received by the owner under this subtitle, together with interest thereon as determined by the Secretary, if the Secretary determines that such violation warrants termination of the agreement; or

(ii) to refund to the Secretary, or accept adjustments to, cost share payments provided under this subtitle as the Secretary determines appropriate, if the Secretary determines that such violation does not warrant termination of the agreement.

(b) Components of Plan.—The natural resource conservation management plan referred to in subsection (a)(1), (hereafter referred to as the "plan")—

(1) shall set forth—

(A) the conservation measures and practices to be carried out by the owner of the land subject to the easement; and

(B) the commercial use, if any, to be permitted on such land during the term of the easement; and

(2) shall provide for the permanent retirement of any existing cropland base and allotment history for such land under any program administered by the Secretary.

SEC. 1283. DUTIES OF THE SECRETARY.

In return for the granting of an easement by an owner under this subtitle, the Secretary shall—

(1) share the cost of carrying out the establishment or reestablishment of conservation measures and practices set forth in the plan for which the Secretary determines that cost sharing is appropriate and in the public interest;

(2) pay for a period not to exceed 10 years annual easement payments in the aggregate not to exceed the lesser of—

(A) $250,000; or

(B) the value of the land without an easement;

(3) provide necessary technical assistance to assist owners in complying with the terms and conditions of the easement and the plan; and

(4) permit the land to be used for wildlife activities, including hunting and fishing, if such use is permitted by the owner.

SEC. 1284. PAYMENTS.

(a) TIME OF PAYMENT.—The Secretary shall provide payment for obligations incurred by the Secretary under this subtitle—

(1) with respect to any cost sharing obligation as soon as possible after the obligation is incurred; and

(2) with respect to any annual easement payment obligation incurred by the Secretary as soon as possible after October 1 of each calendar year.

(b) COST SHARING PAYMENTS.—In making cost sharing payments to owners under this subtitle, the Secretary may pay up to 100 percent of the cost of establishing, or reestablishing, conservation measures and practices pursuant to this subtitle.

(c) EASEMENT PAYMENTS; ACCEPTABILITY OF OFFERS.—(1) DETERMINATION OF AMOUNT.—The Secretary shall determine the amount payable to owners in the form of easement payments under this subtitle, and in making such determination may consider, among other things, the amount necessary to encourage owners to participate in the easement program.

(2) ACCEPTABILITY OF OFFERS.—In determining the acceptability of easement offers, the Secretary may take into consideration—

(A) the extent to which the purposes of the easement program would be achieved on the land;

(B) the productivity of the land; and

(C) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities.

(d) FORM OF PAYMENT.—Except as otherwise provided in this section, payments under this subtitle—

(1) shall be made in cash in such amount and at such time as is agreed on and specified in the easement or related agreement; and

(2) may be made in advance of a determination of performance.

(e) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this subtitle dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

(f) PAYMENT LIMITATION.—(1) IN GENERAL.—The total amount of easement payments made to a person under this subtitle for any fiscal year may not exceed $50,000.

(2) REGULATIONS.—The Secretary shall issue regulations—

(i) defining the term 'person' as used in this subsection, which shall conform, to the extent practicable, to the regulations defining the term 'person' issued under section 1001; and

(ii) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this subsection.

(3) Other Payments.—Easement payments received by an owner shall be in addition to, and not affect, the total amount of payments that such owner is otherwise eligible to receive under this Act, the Food and Agricultural Resources Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)

(4) State Wetland and Environmental Enhancement.—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special wetland and environmental easement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this subtitle.

(g) Exemption from Automatic Sequester.—Notwithstanding any other provision of law, no order issued for any fiscal year from 1991 through 2006 under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902), shall affect any payment pursuant to an easement entered into under this subtitle.

SEC. 1285. CHANGES IN OWNERSHIP.

(a) Limitations.—No easement shall be created under this subtitle on land that has changed ownership in the year preceding the year of such acquisition unless—

(1) the new ownership was acquired by will or succession as a result of the death of the previous owner;

(2) the new ownership was acquired before January 1, 1990; or

(3) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program established by this subtitle.

(b) Modification; Termination.—(1) Modification.—The Secretary may modify an easement acquired from, or a related agreement with, an owner under this subtitle if—

(A) the current owner agrees to such modification; and

(B) the Secretary determines that such modification is desirable—

(i) to carry out this subtitle;

(ii) to facilitate the practical administration of this subtitle; or

(iii) to achieve such other goals as the Secretary determines are appropriate and consistent with this subtitle.

(2) Termination.—(A) The Secretary may terminate an easement created with an owner under this subtitle if—

(i) the current owner agrees to such termination; and

(ii) the Secretary determines that such termination would be in the public interest.

(B) At least 90 days before taking any action to terminate under paragraph (A) all easements entered into under this subtitle, the Secretary shall provide written notice of such action to the Commit-

tee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

* * * * * * *

TITLE XIV—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

Subtitle A—General Provisions

* * * * * * *

GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES

SEC. 1416. (a) * * *

(b) There are authorized to be appropriated for the purpose of carrying out this section $10,000,000 for each of the fiscal years [ending September 30, 1986, through September 30, 1990,] *1991 and 1992* such sum to remain available until expended.

* * * * * * *

AUTHORIZATION FOR APPROPRIATIONS FOR FEDERAL AGRICULTURAL RESEARCH FACILITIES

SEC. 1431. (a) There are authorized to be appropriated for each of the fiscal years [ending September 30, 1988, through September 30, 1990,] *1991 through 1995,* such sums as may be necessary for the planning, construction, acquisition, alteration, and repair of buildings and other public improvements, including the cost of acquiring or obtaining rights to use land, of or used by the Agricultural Research Service, except that—

(1) the cost of planning any one facility shall not exceed $500,000; and

(2) the total cost of any one facility shall not exceed $5,000,000.

(b) Not later than 60 days after the end of each of the fiscal years ending [September 30, 1986, through September 30, 1990,] *1991 through 1995,* the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report specifying—

(1) the location of each building, laboratory, research facility, and other public improvement of or to be used by the Agricultural Research Service that is planned, constructed, acquired, repaired, or remodeled, with funds appropriated under subsection (a), in the fiscal year involved; and

(2) with respect to each such building, laboratory, research facility, and improvement—

(A) the amount of such funds obligated in the fiscal year; and

(B) the amount of such funds expended in the fiscal year for such item.

* * * * * * *

MARKET EXPANSION RESEARCH

SEC. 1436. (a) * * *

(b)(1) The Secretary of Agriculture shall conduct a research and development program to formulate new uses for farm and forest products. Such program shall include, but not be limited to, research and development of industrial, new, and value-added products.

(2) To the extent practicable, the Secretary of Agriculture shall carry out the program authorized in this subsection with colleges and universities, private industry, and Federal and State entities through a combination of grants, cooperative agreements, contracts, and interagency agreements.

(3)(A) There are authorized to be appropriated such sums as are necessary to carry out the program authorized under this subsection.

(B) In addition, the Secretary may use funds appropriated or made available to the Secretary under provisions of law other than subparagraph (A) to carry out such program.

(C) To the extent requests are made for matching funds under such program, the total amount of funds used by the Secretary to carry out the program under this subsection may not be less than $10,000,000 for each of the fiscal years [ending September 30, 1986, through September 30, 1990.] *1991 through 1995.*

* * * * * * *

TITLE XV—FOOD STAMP AND RELATED PROVISIONS

* * * * * * *

Subtitle C—Nutrition and Miscellaneous Provisions

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 1588. (a) There are hereby authorized to be appropriated to carry out sections 1584 through 1588 [$5,000,000 for the fiscal year ending September 30, 1986; $6,000,000 for the fiscal year ending September 30, 1987; and $8,000,000 for each of the fiscal years ending September 30, 1988, September 30, 1989, and September 30, 1990.] *$8,000,000 for each of the fiscal years 1991 through 1995.*

* * * * * * *

AGRICULTURE AND FOOD ACT OF 1981

* * * * * * *

TITLE I—DAIRY

FEDERAL MILK MARKETING ORDERS

SEC. 101. (a) * * *

(b) The provisions of subsection (a) shall become effective January 1, 1982, and shall terminate December 31, [1990.] *1995.*

* * * * * * *

TITLE X—GRAIN RESERVES AND NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

* * * * * * *

Subtitle B—National Agricultural Cost of Production Standards Review Board

* * * * * * *

TERMINATION

SEC. 1014. The Board established in this subtitle shall cease to exist on September 30, [1990.] *1995.*

TITLE XI—MISCELLANEOUS

* * * * * * *

Subtitle B—General Provisions

* * * * * * *

DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION PROJECTS

SEC. 1114. (a)(1) * * *

(2)(A) Effective through September 30, [1990,] *1995,* whenever a commodity is made available without charge or credit under any nutrition program administered by the Secretary of Agriculture, the Secretary shall encourage consumption of such commodity through agreements with private companies under which the commodity is reprocessed into end-food products for use by eligible recipient agencies. The expense of reprocessing shall be paid by such eligible recipient agencies.

* * * * * * *

TITLE XV—RESOURCE CONSERVATION

* * * * * * *

Subtitle H—Resource Conservation and Development Program

* * * * * * *

LIMITATION ON PROVISION OF ASSISTANCE

SEC. 1536. The program provided for in this subtitle shall be limited to providing technical and financial assistance to not more than [two hundred and twenty-five] *450* active designated areas.

* * * * * * *

SECTION 3 OF THE ACT OF AUGUST 13, 1968

SEC. 3. The authority granted under this Act shall expire on September 30, [1990] *1995.*

AGRICULTURAL ADJUSTMENT ACT

* * * * * * *

TITLE I—AGRICULTURAL ADJUSTMENT

* * * * * * *

PART 2—COMMODITY BENEFITS

* * * * * * *

SEC. 8b. (a) * * *

(b)(1) * * *

(2) Violation of this subsection by a person who has not entered into such an agreement shall result in the assessment by the Secretary of a penalty equal to 140 percent of the support price for quota peanuts multiplied by the quantity of peanuts sold or disposed of in violation of subsection (b)(1)(B), as determined under [section 108B of] the Agricultural Act of 1949 (7 U.S.C. 1445c-2), for the marketing year for the crop with respect to which such violation occurs.

ORDERS

SEC. 8c. (1) * * *

* * * * * * *

TERMS—MILK AND ITS PRODUCTS

(5) In the case of milk and its products, orders issued pursuant to this section, shall contain one or more of the following terms and conditions, and (except as provided in subsection (7)) no others:

(A) * * *

(B) Providing:

(i) for the payment of all producers and associations of producers delivering milk to the same handler of uniform prices for all milk delivered by them: *Provided,* That, except in the case of orders covering milk products only, such provision is approved or favored by at least three-fourths of the producers who, during a representative period determined by the Secretary of Agriculture, have been engaged in the production for market of milk covered in such order or by producers who, during such representative period, have produced at least three-fourths of the volume of such milk produced for market during such period; the approval required hereunder shall be separate and apart from any other approval or disapproval provided for by this section; or

(ii) for the payment to all producers and associations of producers delivering milk to all handlers of uniform prices for all milk so delivered, irrespective of the uses made of such milk by the individual handler to whom it is delivered;

subject, in either case, only to adjustments for (a) volume, market, and production differentials customarily applied by the handlers subject to such order, (b) the grade or quality of the milk delivered, (c) the locations at which delivery of such milk is made, (d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year, [and] (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order *and, (f) a further adjustment, equitably to apportion the total value of milk purchased by any handler or by all handlers among producers on the basis of the milk components contained in their marketings of milk.*

* * * * * * *

(L) Providing that adjustments in payments by handlers under paragraph (A) need not be the same as adjustments to producers under paragraph (B) with regard to adjustments authorized by subparagraph (A) (2) and (3) and clauses (B)(ii) (b), (c), and (d).

* * * * * * *

PACKERS AND STOCKYARDS ACT, 1921

* * * * * * *

TITLE I—DEFINITIONS

* * * * * * *

SEC. 2. (a) When used in this Act—

(1) * * *

* * * * * * *

(10) The term "live poultry dealer" means any person engaged in the business of obtaining live poultry by purchase or under a poultry growing arrangement for the purpose of either slaughtering it or selling it for slaughter by another, if poultry is obtained by such person in commerce, or if poultry obtained by such person is sold or shipped in commerce, or if poultry products from poultry obtained by such person are sold or shipped in commerce; [and]

(11) The term "milk" means cow's milk;

(12) The term "milk product" means any product or byproduct from processing milk;

(13) The term "milk producer" means any person who produces milk;

(14) The term "handler" means any person who, in commerce, receives or otherwise acquires milk, processes, prepares or arranges for marketing, or markets the milk; and

[(11)] *(15)* The term "commerce" means commerce between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or within any Territory or possession, or the District of Columbia.

* * * * * * *

TITLE II—PACKERS

* * * * * * *

SEC. 208. STATUTORY TRUST ESTABLISHED; MILK.

(a) PROTECTION OF PUBLIC INTEREST FROM INADEQUATE FINANCING ARRANGEMENTS.—(1) It is hereby found that a burden on commerce in milk, and an obstruction to commerce in milk is caused by financing arrangements under which handlers encumber, give lenders security interest in, or have liens placed on milk purchased or received by a handler, on inventories of milk on receivably or proceeds from milk, or on products derived from milk when payment is not made for the milk. Such arrangements are contrary to the public interest.

(2) This section is intended to remedy such burden on commerce in milk and obstruction to commerce in milk and to protect the public interest.

(b) TRUSTS.—All milk purchased or received by a handler, all inventories of milk or milk products, and all receivables or proceeds from milk or milk products, shall be held by such handler in trust for the benefit of all unpaid milk producers of such milk or milk products or unpaid handlers until full payment has been received by such unpaid milk producer or handler.

(c) EFFECT OF DISHONORED INSTRUMENTS.—Payment shall not be considered to have been made if the milk producer or handler receives a payment instrument which is dishonored.

(d) PRESERVATION OF TRUST BENEFITS BY MILK PRODUCER OR HANDLER.—The unpaid milk producer or unpaid handler shall lose the benefit of such trust if such milk producer or handler has not preserved his trust under this section by giving written notice to the debtor handler and by filing such notice with the Secretary—

(1) within thirty days of the final date for making a payment for milk when a payment instrument has not been received, or

(2) within fifteen business days after the milk producer or handler has received notice if the payment instrument promptly presented for payment has been dishonored.

(e) DISTRICT COURTS.—The several district courts of the United States are vested with jurisdiction specifically to entertain—

(1) actions by trust beneficiaries to enforce payment from the trust; and

(2) actions by the Secretary to prevent and restrain dissipation of the trust.

* * * * * * *

TITLE IV—GENERAL PROVISIONS

SEC. 401. Every packer, and live poultry dealer, *milk handler,* stockyard owner, market agency, and dealer shall keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business, including the true ownership of such business by stocking or otherwise. Whenever the Secretary finds that the accounts, records, and memoranda of any such person do not fully and correctly disclose all transactions involved in his business, the Secretary may prescribe the manner and form in which such accounts, records, and memoranda shall be kept, and thereafter any such person who fails to keep such accounts, records, and memoranda in the manner and form prescribed or approved by the Secretary shall upon conviction be fined not more than $5,000, or imprisoned not more than three years, or both.

* * * * * * *

SEC. 403. When construing and enforcing the provisions of this Act, the act, omission, or failure of any agent, officer, or other person acting for or employed by any packer, any live poultry dealer, *milk handler,* stockyard owner, market agency, or dealer, within the scope of his employment or office, shall in every case also be deemed the act, omission, or failure of such packer, any live poultry dealer, *milk handler,* stockyard owner, market agency, or dealer, as well as that of such agent, officer, or other person.

* * * * * * *

NATIONAL WOOL ACT OF 1954

* * * * * * *

SEC. 703. (a) The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending December 31, [1990] *1995.*

(b) The support price for shown wool for the 1966 and each subsequent marketing year shall be determined by multiplying 62 cents by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended) for the three calendar years immediately preceding the calendar year in which such price support is determined and announced to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounding the resulting amount to the nearest full cent.

(1) * * *

(2) Except as provided in paragraph (3), for the marketing years beginning January 1, 1982, and ending December 31, [1990] *1995,* the support price for shorn wool shall be 77.5 percent (rounded to the nearest full cent) of the amount calculated according to paragraph (1).

(3) For the marketing years beginning January 1, 1988, and ending December 31, 1989, the support price for shorn wool shall be 76.4 percent (rounded to the nearest full cent) of the amount calculated according to paragraph (1).

* * * * * * *

SEC. 704. *(a) USE OF PAYMENTS.*—If payments are utilized as a means of price support, the payments shall be such as the Secretary of Agriculture determines to be sufficient, when added to the national average price received by producers, to give producers a national average return for the commodity equal to the support price level therefor: *Provided,* That the total of all such payments made under this Act shallnot at any time exceed an amount equal to 70 per centum of the accumulated totals as of the same date, of the gross receipts from duties collected on and after January 1, 1953, on wool or fine animal hair, and articles thereof, as provided for in the Harmonized Tariff Schedule of the United States. The payments shall be made upon wool or mohair marketed by the producers thereof but any wool or mohair produced prior to January 1, 1955, shall not be subject to payments. The payments shall be at such rates for the marketing year or periods thereof as the Secretary determines will give producers and support price level as herein provided. Payments to any producer need not be made if the Secretary determines that the amount of the payment to the producer or any producers is too small to justify the cost of making such payments. The Secretary may make the payment to producers through the marketing agency to or through whom the producer marketed his wool or mohair: *Provided,* That such marketing agency agrees to receive and promptly distribute the payments on behalf of such producers. In case any peson who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulation.

(b) PAYMENT LIMITATION.—The total amount of payments that any one producer is entitled to receive under this Act for any marketing year that begins after the date of enactment of this sentence shall not exceed $250,000.

* * * * * * *

SEC. 708. The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair,, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs and programs for the development and dissemination of information on product quality, production management, and marketing improvement, for wool, mohair, sheep, or goats or the products thereof. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for wool, mohair, sheep, or goats or the products thereof produced in the United States. Provision may be made in such agreement to obtain the funds necessary to defray the expenses incurred thereunder through pro rata deductions from the payments made under section 704 of this title to producers within the production area he determines will be benefited by the agreement and for the assignment and transfer of the amounts so deducted to the person or agency designated in the agreement to receive such amounts for expenditure in accordance with the terms and conditions of the agreement. No agreement containing such a provision for defraying expenses through deductions shall become effective until the Secretary determines that [at least two-thirds] *a majority* of the producers who during a representative period determined by the Secretary, have been engaged, within the production area he determines will be benefited by the agreement, in the production for market of the commodity specified therein approve or favor such agreement or that producers who, during such representative period have produced [at least two-thirds] *a majority* of the volume of such commodity produced within the area which will be benefited by such agreement, approve or favor such agreement. Approval or disapproval by cooperative associations shall be considered as approval or disapproval by the producers who are members of, stockholders in, or under contract with such cooperative association of producers. The Secretary may conduct a referendum among producers to ascertain their approval or favor. The requirements of approval or favor shall be held to be complied with if [two-thirds] *a majority* of the total number of producers, or two-thirds of the total volume of production, as the case may be, represented in such referendum, indicate their approval or favor.

* * * * * * *

HONEY RESEARCH, PROMOTION, AND CONSUMER INFORMATION ACT

* * * * * * *

DEFINITIONS

SEC. 3. As used in this Act:

(1) * * *

* * * * * * *

(8) The term "importer" means any person who imports honey or honey products into the United States or [who] acts as an agent, broker, or consignee for any person or nation that produces honey outside of the United States for sale in the United States *and who is listed in the import records as the importer of record for such honey or honey products.*

* * * * * * *

(18) The term "exporter" means any person who exports honey or honey products from the United States.

* * * * * * *

REQUIRED TERMS OF AN ORDER

SEC. 7. (a) * * *

* * * * * * *

(c)(1) The order described in subsection (a) shall provide for the establishment and appointment by the Secretary of a Honey Board in accordance with this subsection.

(2) The membership of the Honey Board shall consist of—

(A) seven members who are honey producers appointed from nominations submitted by the National Honey Nominations Committee, one from each of seven regions of the United States which shall be established by the Secretary on the basis of the production of honey in the different areas of the country;

(B) two members who are handlers of honey appointed from nominations submitted by the Committee from recommendations made by industry organizations representing handler interest;

[(C) two members who are importers appointed from nominations submitted by the Committee from recommendations made by industry organizations representing importer interests;]

(C) two members who are either importers or exporters, of which at least one shall be an importer, appointed from nominations submitted by the Committee from recommendations by industry organizations representing importer and exporter interests;

* * * * * * *

The Committee shall also [nominate an alternate or alternates] *submit nominations for an alternate* for each member of the Honey Board described in subparagraph (A) through (D), and the Secretary shall appoint an alternate for the member described in subparagraph (E). Such alternates shall be appointed in the same manner as members are and shall serve only whenever the member is absent from a meeting or is disqualified. *However, no producer-packer who, during any three of the preceding five years, purchased for resale more honey than such producer-packer produced shall be eligible for nomination or appointment to the Honey Board as a producer described in subparagraph (A) or as an alternate to such producer.*

* * * * * * *

(4) In the event any member of the Honey Board ceases to be a member of the category of members from which the member was appointed to the Honey Board, such person shall be automatically replaced by an alternate *except that if, as a result of the adjustment of the boundaries of the regions established under paragraph (2)(A), a producer member or alternate is no longer from the region from which such person was appointed, such member or alternate may serve out the term for which such person was appointed.*

* * * * * * *

(e)(1) The Honey Board shall administer collection of the assessment provided for in this paragraph to finance the expenses described in subsections (d) and (f). [For the first year in which the plan is in effect, the assessment rate shall be $0.01 per pound, with payment to be made in the manner described in section 9. After the first year, the Honey Board may submit to the Secretary a request for an increase in the assessment rate not to exceed 0.5 cent per year, but at no time may the total assessment rate exceed $0.04 per pound.

[(2) A producer or producer-packer who produces, or handles, or produces and handles less than six thousand pounds of honey per year or an importer who imports less than six thousand pounds of honey per year shall be exempt from the assessment. In order to claim such an exemption, a person shall submit an application to the Honey Board stating that their production, handling, or importation of honey shall not exceed six thousand pounds for the year for which the exemption is claimed.] *The assessment rate shall be $0.01 per pound, with payment to be made in the manner described in section 9.*

(2)(A) Honey that is consumed at home by the producer or importer or denoted by the producer or importer to a nonprofit, government, or other entity, as determined appropriate by the Secretary, rather than sold shall be exempt from assessment under the order, except that donated honey that later is sold in a commercial outlet by a donee or a donee's assignee shall be subject to assessment on such sale.

(B)(i) A producer, producer-packer, or importer who produces or imports during any year less than 6,000 pounds of honey shall be eligible for an exemption in such year from paying an assessment on honey such person distributes directly through local retail outlets, as determined by the Secretary, during such year.

(ii) In order to claim an exemption under this subparagraph, a person shall submit an application to the Honey Board stating the basis on which the person claims the exemption for such year.

(iii) If, after a person claims an exemption from assessments for any year under this subparagraph, such person no longer meets the requirements of this subparagraph for an exemption, such person shall file a report with the Honey Board in this form and manner prescribed by the Board and pay an assessment on or before March 15 of the subsequent year on all honey produced or imported by such person during the year for which the person claimed the exemption.

(3) If a producer, producer-packer, or importer does not pay any assessments under this Act due to the applicability to such person of the exemptions from assessments provided in paragraph (2), then such producer, producer-packer, or importer shall not be considered a producer or importer for purposes of voting in any referendum conducted under this Act during the period the person's exemption form all assessments is in effect.

* * * * * * *

(k) Any patent on any product, copyright on any material, or any invention, product formulation, or publication developed through the use of funds collected by the Honey Board shall be the property of the Honey Board. The funds generated from any such patent, copyright, invention, product formulation, or publication shall inure to the benefit of the Honey Board.

* * * * * * *

COLLECTION OF ASSESSMENTS; REFUNDS

SEC. 9. (a) Except as provided by subsections (c), (d), [and (e),] *(e), and (i),* the first handler of honey shall be responsible for the collection from the producer, and payment to the Honey Board, of assessments authorized by this Act.

* * * * * * *

[(d) In any case in which a loan is made with respect to any honey under the Honey Loan Price Support Program, the Secretary shall provide that the assessment shall be deducted from the proceeds of the loan and that the amount of such assessment shall be forwarded to the Honey Board. When such a loan is redeemed, the Secretary shall provide the producer with proof of payment of the assessment.]

(d) in any case in which a loan is made with respect to honey under the honey price support loan program established under the Agricultural Act of 1949, or successor statute, the Secretary shall provide for the assessment to be deducted from the disbursement of any loan funds made to the producer and for the amount of such assessment to be forwarded to the Honey Board. The Secretary shall provide for the producer to receive a statement of the amount of the assessment deducted from the loan funds promptly after each occasion when an assessment is deducted from any such loan funds under this subsection.

* * * * * * *

(f) Handlers, importers, and producer-packers responsible for payment of assessments, *and persons receiving an exemption from assessments under section 7(e)(2),* shall maintain and make available for inspection by the Secretary such books and records as are required by the order and file reports at the times, in the manner, and having the content prescribed by the order, so that information and data shall be made available to the Honey Board and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of the Act or of any order or regulation issued pursuant to this Act.

* * * * * * *

(h) [Any] *(1)(A) Except as otherwise provided in paragraph (2), any* producer or importer may obtain a refund of the assessment collected from the producer or importer if demand is made within the time and in the manner prescribed by the Honey Board and approved by the Secretary; except that, during any year, the [amount of refunds made to importers,] *an importer,* as a percentage of total assessments collected [from importers] *from such importer,* shall not exceed the amount of refunds made to domestic producers, as a percentage of total assessments collected from such producers. Such refund shall be made by the Honey Board in June and December of each year.

(B) A producer that has obtained a honey price support loan under the Agricultural Act of 1949, or successor statute, may obtain a refund if the producer has submitted to the Honey Board the statement received under subsection (d) of the amount of assessment deducted from the loan funds and has otherwise complied with this subsection, even though the loan with respect to which the assessment was collected may still be outstanding and final settlement has not been made.

(2) With respect to the order in effect on the date of the enactment of this paragraph, following the referendum on such order required under section 13(b)(2), a producer or importer may obtain a refund of an assessment under such order as provided in paragraph (1) only if the Secretary determines that the proposal to terminate refunds under the order is defeated in such referendum.

(i) If a first handler or the Secretary fails to collect an assessment from a producer under this section, the producer shall be responsible for the payment of the assessment to the Honey Board.

* * * * * * *

INVESTIGATIONS AND POWER TO SUBPOENA

SEC. 11A. (a) IN GENERAL.—The Secretary may make such investigations as the Secretary deems necessary—

(1) for the effective administration of this Act; or

(2) to determine whether a person has engaged or is engaging in any act or practice that consititutes a violation of any provision of this Act, or of any order, rule, or regulation issued under this Act.

(b) POWER TO SUBPOENA.—(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary is authorized to administer oaths and affirmations and to issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 10 or section 11, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failuire to obey such order of the court may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under this section shall be within the judicial district where such person resides or has a principal place of business.

* * * * * * *

SUSPENSION AND TERMINATION

SEC. 13. (a) Whenever the Secretary finds that any order issued under this Act, or any provisions thereof, obstructs or does not tend to effectuate the declared purpose of this Act, the Secretary shall terminate or suspend the operation of such order or such provisions thereof.

(b) **[**Five**]** *(1) Except as otherwise provided in paragraph (2), five* years from the date on which the Secretary issues an order authorizing the collection of assessments on honey under provisions of this Act, and every five years thereafter, the Secretary shall conduct a referendum to determine if honey producers and importers favor the **[**continuation, termination,**]** *termination* or suspension of the order.

(2)(A) In lieu of the first referendum otherwise required to be conducted under paragraph (1) for the order in effect on the date of the enactment of this paragraph, the Secretary shall conduct a referendum to determine if honey producers and importers favor—

(i) the continuation of the order; and

(ii) termination of the authority for producers and importers to obtain a refund of assessments under section 9(h)(1).

The referendum shall be conducted at the time the first referendum otherwise required under paragraph (1) would have been conducted, except for the operation of this paragraph.

(B)(i) The Secretary shall terminate such order at the end of the marketing year during which such referendum is conducted, if the Secretary determines that termination of the order is approved or favored by not less than a majority of the producers and importers voting in the referendum and that the producers and importers comprising this majority produce and import more than 50 percent of the volume of honey produced and imported by those voting in the referendum

(ii) If the Secretary determines that termination of the authority for producers and importers to receive refunds of assessments under section 9(h)(1) is favored or approved by a majority of the producers and importers voting in such referendum and that the producers and importers comprising this majority produce and import more than 50 percent of the volume of honey produced and imported by those voting in the referendum, then the Secretary shall amend such order as necessary to reflect the vote of producers and importers. Such amendment to the order shall become effective on the date it is issued, but in no case more than 180 days after the conduct of such referendum.

* * * * * * *

(d) The Secretary shall terminate or suspend **[**such**]** *an* order at the end of the marketing year *in which a referendum is conducted under subsection (b) or (c)* whenever the Secretary determines that such suspension or termination **[**of the order**]** is favored by a majority of those voting in a referendum and that the producers and importers comprising this majority produce and import more than 50 per centum of the volume of honey produced and imported by those voting in the referendum.

SECTION 2 OF THE ACT OF DECEMBER 11, 1989

SEC. 2. AMENDMENT AFFECTING THE 1990 CROPS

[Effective only for**]** *Effective beginning with* the 1990 crops, section 1001(5)(D) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(D)) is amended to read as follows:

> "(D) Any person that conducts a farming operating to produce a crop subject to limitations under this section as a tenant that rents the land for cash (or a crop share guaranteed as to the amount of the commodity to be paid in rent) and that makes a significant contribution of active personal management but not of personal labor shall be ineligible to receive any payment specified in paragraph (1) or (2) or subtitle D of title XII with respect to such land unless the tenant makes a signficant contribution of equipment used in the farming operation."

SECTION 302 OF THE FOOD SECURITY WHEAT RESERVE ACT OF 1980

FOOD SECURITY WHEAT RESERVE

SEC. 302. (a) * * *

(b)(1) * * *

(2)*(A)* Subject to the provisions of subsection (i) of this section, stocks of what to replenish the reserve may be acquired **[**(A)**]** *(i)* through purchases from producers or in the market if the Secretary of Agriculture determines that such purchases will not unduly disrupt the market, and **[**(B)**]** *(ii)* by designation by the Secretary of stocks of wheat otherwise acquired by the Commodity Credit Corporation. Any use of funds to acquire wheat through purchases from producers or in the market to replenish the reserve must be authorized in appropriation Acts.

(B) Not later than 18 months after the release of stocks from the reserve, the Secretary of Agriculture shall replenish the reserve—

> *(A) through purchase under subparagraph (A)(i) to the extent of the appropriations available; or*
>
> *(B) by designating an equivalent quantity of wheat from uncommitted stocks of the Commodity Credit Corporation, to the extent sufficient appropriations are not available under subparagraph (A)(i), except to the extent that the Secretary reports to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that there are not sufficient uncommitted stocks of the Commodity Credit Corporation available.*

* * * * * * *

(i) The authority to replace stocks of wheat to maintain the reserve under this section shall expire September 30, **[**1990**]** *1995*, after which stocks released from the reserve may not be replenished. Stocks of wheat remaining in the reserve after September 30, **[**1990**]** *1995*, shall be disposed of by release for use in providing for emergency food needs in developing countries as provided in this section.

FOOD AND AGRICULTURE ACT OF 1977

* * * * * * *

TITLE XIV—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

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Subtitle C—Agricultural Research and Education Grants and Fellowships

* * * * * * *

[SEC. 1415. Grants to establish or expand schools of veterinary medicine.]

SEC. 1415. Grants to enhance research capacity in schools of veterinary medicine.

* * * * * * *

SEC. 1419. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products[, and agricultural chemicals and other products from coal derivatives].

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Subtitle D—National Food and Human Nutrition Research and Extension Program

* * * * * * *

SEC. 1424. Joint contract for assessment of food science and human nutrition reseach.

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Subtitle G—1890 Land-Grant College Funding

* * * * * * *

SEC. 1445A. Resident instruction at 1890 land-grant colleges, including Tuskegee University.

SEC. 1445B. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.

SEC. 1445C. National research and training centennial centers.

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Subtitle K—Funding and Miscellaneous Provisions

* * * * * * *

[SEC. 1464. Authorization for appropriations for extension education.]

Sec. 1464. Authorization for appropriations for extension education and the establishment of a pilot project to coordinate food and nutrition education programs.

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Subtitle L—Aquaculture

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Sec. 1476. Aquaculture research facility.

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TITLE X—MISCELLANEOUS

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Sec. 1001. (a) Notwithstanding any other provision of law, whenever a set-aside program is in effect for one or more the 1982 through [1990] *1995* crops of wheat and feed grains, the Secretary of Agriculture may require, as a condition of eligibility for loans, purchases, and payments for such crops under the Agricultural Act of 1949, that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary, adjusted as deemed necessary by the Secretary to be fair and equitable among producers and reduced by any set-aside or diverted acreage. Such normal crop acreage for any crop year shall be determined as provided by the Secretary. The Secretary may require producers participating in the program to keep such records as the Secretary determines necessary to assist in making such determination.

(b) Notwithstanding any other provision of law—

(1) Whenever the Secretary, for one or more the 1982 through [1993] *1995* crop of wheat and feed grains, requires that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary in accordance with subsection (a) of this section, the Secretary may increase the established price payments for any such commodity by such amount (or if there are no such payments in effect for such crop by providing for payments in such amount) as the Secretary determines appropriate to compensate producers for not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

(2) In determining the amount of any payments for any commodity under this subsection, the Secretary shall take into account changes in the costs of production resulting from not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

(3) If payments are provided for any commodity under this subsection, the Secretary may provide for payments for any other commodity in such amount as the Secretary determines necessary for effective operation of the program.

(4) The Secretary shall adjust any payments under this subsection to reflect, in whole or in part, any land diversion payments for the commodity for which an increase is determined.

* * * * * * *

Agriculture Trade Development and Assistance Act of 1954

* * * * * * *

[Sec. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance to needy nations annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well.]

SEC. 3. OVERALL FOOD AID LEVEL.

It is the sense of Congress that the President should increase the level of food aid provided by the United States and encourage other donor governments to increase the level of food aid they provide, to reflect the findings of the National Research Council of the National Academy of Sciences that it will be necessary to double the present food aid level of approximately 10 million metric tons per year in order to meet the projected world food aid needs during 1991 through 2000. It is further the sense of Congress that the President should encourage other developed countries to increase their contributions toward combating hunger and malnutrition in developing countries by expanding international food and agricultural assistance programs.

TITLE I

[SEC. 101. (a) In order to carry out the policies and accomplish the objectives set forth in section 2 of this Act, the President is authorized to negotiate and carry out agreements with friendly countries to provide for the sale of agricultural commodities—

[(1) for dollars on credit terms;

[(2) to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms that permit conversion to dollars at the exchange rate applicable to the sales agreement; or

[(3) for foreign currencies for use under section 108 on terms that permit conversion to dollars.

[(b)(1) Except as provided in paragraph (2), for each of the fiscal years 1986 through 1990 sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made at an annual level of not less than 10 percent of the aggregate value of all sales of agricultural commodities under this title. For each of the fiscal years 1988 through 1990, each agreement entered into under this title shall provide for some sale for foreign currencies for use under section 108, country the President determines is incapable of participating in unless the President determines that the level of agricultural commodities furnished under title I will be significantly reduced as a result of this sentence.

[(2) The President may reduce the minimum level of sales for foreign currencies, or enter into sales agreements not providing for sales for foreign currencies for use under section 108, required under paragraph (1) during any fiscal year in which the President determines that the level of agricultural commodities furnished under this title will be significantly reduced as a result of compliance with the requirement under paragraph (1).

[(c) Agreements for sales for foreign currency in a developing country for use under section 108 may not be entered into to the extent that such agreements would generate currency in amounts that cannot be productively used and absorbed in the porivate sector of such country.

[(d) Sales for foreign currencies for use under section 108 under agreements entered into under this title shall be made on such terms and conditions as are specified in such agreements.]

SEC. 101. AGREEMENTS FOR THE SALE OR DONATION OF AGRICULTURAL COMMODITIES.

(a) AUTHORITY.—In order to carry out the policies and accomplish the objectives set forth in section 2, the President is authorized to negotiate and carry out agreements with friendly countries providing for the sale of agricultural commodities—

(1) for dollars on credit terms; or

(2) for foreign currencies for use under section 104 or 108.

The President is also authorized to negotiate and carry out agreements with friendly least developed countries that meet the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference providing for the donation of agricultural commodities to such countries.

(b) Minimum Level for Sales for Foreign Currencies.—For each of the fiscal years 1991 through 1995, sales for foreign currencies for use under section 108 under agreements entered into this title should be made at an annual level of not less than 10 percent of the aggregate value of all sales of agricultural commodities under this title.

(c) DEFINITION.—As used in this section, the term "least developed country" means a country that meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance or that is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population.

* * * * * * *

SEC. 103. In exercising the authorities conferred upon him by this title, the President shall—

(a) * * *

(b) except where the President determines that it would be inconsistent with the objectives of this Act, determine the amount of foreign currencies needed for the uses specified in [subsections (a), (b), (e), and (h) of section 104, in section 108, and in title III,], sections 104 and 108 and the agreements for credit sales shall provide for payment of such amounts in dollars for in foreign currencies upon delivery of the agricultural commodities; and such payment may be considered as an advance payment of the earliest installments;

* * * * * * *

(m) except [as provided in section 108] *for foreign currency payments for use under section 108,* require foreign currencies to be convertible to dollars to the extent consistent with the effectuation of the purposes of this Act, but in any event to the extent necessary to [(1)] permit that portion of such currencies made available for payment of United States obligations to be used to meet obligations or charges payable by the United States or any of its agencies to the government of the importing country or any of its agencies[, and (2) in the case of excess currency countries, assure convertibility by sale to American tourists, or otherwise, of such additional amount (up to twenty-five per centum of the foreign currencies received pursuant to each agreement entered into after the effective date of the Food for Peace Act of 1966) as may be necessary to cover all normal expenditures of American tourists in the importing country. In carrying out this subsection, the President shall require that foreign currencies to be used under section 108 that are acquired under an agreement for the sale of commodities be convertible to dollars during the period beginning 10 years after the date of the last delivery of such commodities and ending 30 years after the date of such delivery. Such agreement for sale shall establish a shedule for such conversion but need not specify the exchange rate for such conversion:]*;*

[(p) except as provided in section 108, assure convertibility at such uniformly applied exchange rates as shall be agreed upon of up to 50 per centum of the foreign currencies received pursuant to each agreement by sale to United States or purchasing country contractors for payment of wages earned in the development and conummation of works of public improvement in the purchasing country;]

(p) give priority to financing the sale of food and fiber commodities in the allocation of funds made available under this title; and

[(q) except as provided in section 108, assure convertibility of up to 50 per centum of the foreign currencies received pursuant to each agreement by sale to United States importers for the procurement of materials or commodities in the purchasing country; and]

[(r)] *(q)* give favorable consideration in the allocation of commodities under this title to countries promoting the private sector through the use of section 108.

[SEC. 104. Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under agreements for such sales entered into prior to January 1, 1972 for one or more of the following purposes:

[(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

[(b) For carrying out programs of United States Government agencies to—

[(1) help develop new markets for United States agricultural commodities (including wood and processed wood products of the United States) on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph: *Provided,* That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of thirty days following the date on which notice of such proposed release is transmitted by the President to the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session. Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this paragraph in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this paragraph. In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable. The purpose of this paragrah shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities;

[(2) finance with not less than 2 per centum of the total sales proceeds received each year in each country activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, the International Education Act of 1966, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Foundation on the Arts and the Humanities Act of 1965, and the Public Broadcasting Act of 1967;

[(3) collect, collate, translate, abstract and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, and promote and support programs of medical and scientific research, cultural and educational development, family planning health, nutrition, and sanitation;

[(4) acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter, and furnish such buildings and facilities;

[(5) finance under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, (B) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (C) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

[(d) For assistance to meet emergency or extraordinary relief requirements other than requirements for food commodities; *Provided*, That not more than a total amount equivalent to $10,000,000 may be made available for this purpose during any fiscal year;

[(e) For use to the maximum extent under the procedures established by such agency as the President shall designate for loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries, including loans for private home construction, and for loans to domestic or foreign firms (including cooperatives) for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans;

[(f) To promote multilateral trade and agricultural and other economic development, under procedures, established by the President, by loans or by use in any other manner which the President may determine to be in the national interest of the United States, particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Agency for International Development: *Provided,* That no such funds may be utilized to promote religious activities;

[(g) For the purchase of goods or services for other friendly countries;

[(h) For financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency which he determines is qualified to administer such activities. Not less than 5 per centum of the total sales proceeds received each year shall, if requested by the foreign country, be used for voluntary programs to control population growth;

[(i) For paying, to the maximum extent practicable, the costs outside the United States of carrying out the program authorized in section 406 of this Act;

[(j) For sale for dollars to United States citizens and nonprofit organizations for travel or other purposes of currencies determined to be in excess of the needs of departments and agencies of the United States for such currencies. The United States dollars received from the sale of such foreign currencies shall be deposited to the account of Commodity Credit Corporation; and

[(k) For paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests;

Provided, That—

[(1) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsections (a) and (b), and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies.

[(2) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (f) and (g), to not less than 10 per centum of the foreign currencies which accrue pursuant to agreements entered into on or before December 31, 1964, and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter: *Provided, however,* That the

President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

[(3) No agreement or proposal to grant any foreign currencies or to use (except pursuant to Appropriation Act) and principal or interest from loan repayments under this section shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations and to the House Committee on Agriculture and the House Committee on International Relations, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session.

[(4) Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances after consultation with the advisory committee established under section 407 designate a different rate: *Provided, further,* That paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nation are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such nations for the fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to paragraph (1) of the foregoing proviso, to the acquisition of sites, buildings, and grounds under paragraph (4) of subsection (b) of this section and to assist such nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures additional to those which would be undertaken without such assistance. Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any nation, the President shall advise the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations and the House Committee on Agriculture and the House Committee on International Relations of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use.]

SEC. 104. USES OF FOREIGN CURRENCY.

(a) In General.—Notwithstanding any other provision of law, the President may use, or enter into agreements with foreign countries or international organizations to use, the foreign currencies, including principal and interest from loan repayments, that accrue in con-

nection with agreements for credit sales or sales for foreign currencies as provided in section 103(b) as follows:

(1) For payment of United States obligations (including obligations entered into pursuant to other legislation).

(2) For carrying out programs of United States government agencies to—

(A)(i) Help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 percent of the total sales made each year under this title shall be set aside in the amount and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragrah. The Secretary of Agriculture may release such amounts of the foreign currencies so set aside as the Secretary determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of 30 days following the date on which notice of such proposed release is transmitted by the President to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Foreign Relations of the Senate, if transmitted while Congress is in session, or 60 days following the date of transmittal if transmitted while Congress is not in session.

(ii) Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 percent) as the Secretary of Agriculture determines to be needed to carryout the purpose of this paragraph in those countries that are, or offer reasonable potential of becoming, dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph.

(iii) In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable.

(iv) The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities.

(B) Finance with up to 2 percent of the total sales proceeds received each year in each country collaborative agricultural research of mutual benefit to the United States and the recipient country, including under title XII of the Foreign Assistance Act of 1961, and activities to assist international educational and cultural exchange and to

provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, and the International Education Act of 1966.

(C) Collect, collate, translate, abstract and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against human diseases, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation.

(D) Acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter and furnish such buildings and facilities.

(E) Finance under the direction of the Librarian of Congress and the Director of the National Agricultural Library, in consultation with the National Science Foundation and other interested agencies, (i) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, and (ii) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate.

(3) For use by such agencies as the President may designate for—

(A) loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development, market research, and trade expansion in such countries, including promotion of private investment advice and technical support, and

(B) loans to domestic or foreign firms (including cooperatives) for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products. No such loans shall be made for the manufacture of any product intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans.

(4) To promote multilateral trade and agricultural and other economic development, under procedures, established by the

President, by loans or by use in any other manner that the President may detemine to be in the national interest of the United States; particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Agency for International Development. No such funds may be utilized to promote religious activities.

(5) For financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency that the President determines is qualified to administer such activities. Not less than 5 percent of the total sales proceeds received each year shall, if requested by the foreign country, be used for voluntary programs to control population growth. None of the funds made available to carry out this paragraph may be used to pay for the performance of abortions as a method of family planning ot to motivate or coerce any person to practice abortions.

(6) For paying to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests.

(b) 1953 ACT.—Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsection (a), and in the case of currencies to be used for the purposes specified in paragraph (2)(B) of subsection (a) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies.

(c) LAYOVER REQUIREMENT.—No agreement or proposal to grant any foreign currencies under this section shall be entered into or carried out until the expiration of 30 days following the date on which such agreement or proposal is transmitted by the President to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate, if transmitted while Congress is in session, or 60 days following the date of transmittal if transmitted while Congress is not in session.

(d) INTEREST ON LOANS.—Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances designate a different rate.

(e) EXCEPTION.—(1) EXCESS AMOUNTS.—Subsections (c) and (d) shall not apply in the case of any country where the foreign currencies or credits owned by the United States and available for use by it in such country are determined by the Secretary of the Treasury to

be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such country for the two fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to subsection (b), to the acquisition of sites, buildings, and grounds under subsection (a)(2)(D) and to assist such country in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures.

(2) Report to congress.—Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any country, the President shall advise the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Foreign Relations of the Senate of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effect of such use.

(f) Special Account; Reimbursement to Commodity Credit Corporation.—Foreign currencies received pursuant to this Act shall be deposited in a special account to the credit of the United States and shall be used only pursuant to sections 104 and 108, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. The President shall utilize foreign currencies received pursuant to this Act in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.

[Sec. 105. Foreign currencies received pursuant to this Act shall be deposited in a special account to the credit of the United States and shall be used only pursuant to sections 104 and 108, and any department or agency of the Government using any of such currencies for a purpose for whch funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. The President shall utilize foreign currencies received pursuant to this Act in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.]

Sec. 106. (a)(1) Payment by any friendly country for commodities purchased for dollars on credit shall be upon terms as favorable to the United States as the economy of such country will permit. Payment for such commodities shall be in dollars with interest at such rates as the Secretary may determine but not less than the minimum rate required by [section 122(b)] *chapter 1 of part 1* of the Foreign Assistance Act of 1961 for loans made under that section. [Payment may be made in reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery, and interest shall be computed from the date of such last delivery.], *and other payment terms shall be no less favorable to the United States than those for development loans made under chapter 1 of part 1 of the Foreign Assistance Act of 1961.* Delivery of such commodities shall be made in annual installments for not more than ten years following the date of the sales agreement and subject to the availability of the commodities at the time delivery is to be made.

[(2) Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for develpment loans made under section 122 of the Foreign Assistance Act of 1961.]

(2) The President may, on a case-by-case basis, taking into account the financial resources of a country and commitment to undertake policy reforms to promote economic growth, wavie payment of such aggregate amounts of prinicpal and interst payable under sales agreements for dollars on credit terms entered into under the authority of this title with respect to any relatively least developed country (as determined on the basis of criteria comparable to those used for the United Nations Development Program list of "least developed countries") or any other country in Sub-Saharan Africa, if—

(A) an International Monetary Fund standby agreement is in effect with respect to that country;

(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the Inaternational Development Association is in effect with respect to that country;

(C) a strcutural adjustment facility or enhanced structural adjustment facility with the International Monetary Fund is in effect with respect to that country; or

(D) even though such an agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market oriented, and long term economic development.

The aggregate amount of principal and interest waived under this paragraph may not exceed the amount approved for such purposes in an Act appropriating funds to carry out this Act.

* * * * * * *

(b)[(1) Agreements hereunder for the sale of agricultural commodities for dollars on credit terms shall include provisions to assure that the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the sale agreement or any amendment thereto. In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.] *(1) Agreements under this title for the sale for dollars on credit terms or donation of agricultural commodities shall include requirements that an amount equal to the proceeds from the sale of the commodities in the recipient country are used for such economic de-*

velopment purposes as are agreed upon in the grant or sales agreement or any amendment thereto. In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes that directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries and to carry out programs in accordance with sections 109 and 406(a)(1).

[(2) Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, nutrition, and populaton planning, and to carry out the program described in section 406(a)(1) of this Act, in those countries which are undertaking self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, and which programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made for such purposes.**]**

[(3) In entering into agreements for the sale of agricultural commodities for dollars on credit terms under this title, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—

[(A) is designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply;

[(B) provides for such objectives as—

[(i) making farm production equipment and facilities available to farmers,

[(ii) credit on reasonable terms and conditions for small farmers, and

[(iii) farm extension and technical information services designed to improve the marketing, storage, transportation, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;

[(C) provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and

[(D) is designed to reach the largest practicable number of farmers in the recipient country.**]**

[(4)**]** *(2)*(A) Notwithstanding any other provision of this subsection, agreements under this title for the sale of agricultural commodities for dollars on credit terms may provide that proceeds form the sale of the commodities in the recipient country shall be used for such private sector development activities as are mutually agreed upon by the United States and the recipient government.

(B) Proceeds used for private sector development activities pursuant to this paragraph shall be deposited in jointly programmed accounts to be loaned by the recipient government to one or more financial intermediaries operating within the country for use by those financial intermediaries for loans to private individuals, private and voluntary organizations, corporations, cooperatives, and other entities within such country. In the case of a cooperative or private and voluntary organization, proceeds may be granted to defray the startup costs of becoming a financial intermediary. [Such proceeds shall not be used to promote the production of commodities or the products thereof that will compete, as determined by the President, in world markets with similar commodities or the products thereof produced in the United States.] *Such proceeds shall not be used to finance the production for export of agricultural commodities or the products thereof that will compete, as determined by the President, in world markets with similar agricultural commodities or the products thereof produced in the United States, where such competition will cause substantial injury to United States producers.*

* * * * * * *

SEC. 108. (a)(1) In order to foster and encourage the development of private enterprise institutions and infrastructure as the base for the expansion, promotion, and improvement of the production of food and other related goods and services within a developing country and pursuant to an agreement for the sale of agricultural commodities entered into under this title, the President may enter into an agreement with a financial intermediary located or operating in such country under which the President shall lend to such financial intermediary foreign currency that accrues as a result of commodity sales to such country under a sales agreement entered into under this title after the date of enactment of the Food Security Act of 1985. Procurement and other contracting requirements, normally applicable to appropriated funds, shall not apply to such foreign currency. *Agreements for sales for foreign currency in a developing country for use under this section may not be entered into to the extent that such agreements would generate currency in amounts that cannot be productively used and absorbed in the private sector of such country.*

* * * * * * *

(c) An agreement entered into under this section shall specify the terms and conditions under which the foreign currency shall be used and subsequently repaid including the following terms and conditions:

(1) [A financial] *Except where it would be inconsistent with the objectives of this section, a financial.* intermediary shall, to the maximum extent feasible, give preference to the financing of agricultural related private enterprise with the funds provided under this section.

(2)[(A) a financial intermediary shall repay a loan made under this section, plus accrued interest, as such times and in such manner as will permit conversion of such foreign currency to dollars in accordance with the schedule for such conversion.

(B)] A financial intermediary may repay a loan made under this section prior to the repayment date specified in such agreement.

(3) To be eligible to receive financing from a financial intermediary under this section, an entity or venture must—

(A) * * *

(B) not be *substantially* owned or controlled[, in whole or in part,] by the government or any governmental subdivision of the developing country.

(4)(A) * * *

(B) In the case of a cooperative or nonprofit voluntary agency that is acting as a financial intermediary, the President may charge a lower rate of interest on funds loaned to such intermediary under this section than is charged to other types of intermediaries or make a grant from currencies received from sales made under section [101(a)(3)] *101(a)(2)* of this Act to [defray the startup costs of becoming a] *such* financial intermediary.

[(5) No currency made available under this section may be used to promote the production of agricultural commodities or the products thereof that will compete, as determined by the President, in world markets with similar agricultural commodities or the products thereof produced in the United States.]

(5) No currency made available under this section may be used to finance the production for export of agricultural commodities or the products thereof that will compete, as determined by the President, in world markets with similar agricultural commodities or the products thereof produced in the United States, where such competition will cause substantial injury to United States producers.

* * * * * * *

(8) When entering into a loan agreement under this section, the President may agree to reduce the repayment obligation of a financial intermediary in an amount not to exceed 80 percent of the principal losses suffered by the financial intermediary in connection with loans made by it with funds borrowed under this section and used in accordance with the requirements of this section and the loan agreement.

(d)(1) * * *

(2) Currencies repaid by financial intermediaries shall, as determined by the President—

(A) * * *

* * * * * * *

[(D) be converted to dollars.]

(D) be used in furtherance of the policies of this section to promote joint or cooperative ventures between private firms or individuals in the developing countries and United States firms, individuals, and organizations, including without limitation cooperatives, private voluntary organizations, and land grant colleges and universities.

* * * * * * *

(f) The President may provide agricultural technical assistance, *or technical assistance to financial intermediaries,* to further the purposes of this section, including the funding of market development activities. [To the maximum extent practicable, the President shall use at least 5 percent of the foreign currencies obtained for use under this section from sales of agricultural commodities made under agreements entered into under this title after the date of enactment of the Food Security Act of 1985 to carry out such assistance.]

[(g) For each of the fiscal years 1986 through 1990, and in accordance with the provisions of section 106(b)(4) and this section, the President is encouraged to channel foreign currencies, in an amount equivalent to 25 percent of the value of sales agreements under this title, for loans for private enterprise investment provided there are appropriate proposals for such an amount of foreign currencies.]

[(h)] *(g)* The provisions of this section apply notwithstanding any other provision of law.

[(i)] *(h)* As used in this section and in section 106(b)(4)—

(1) the term "developing country" means a country that is eligible to participate in a sales agreement entered into under this title;

(2) the term "financial intermediary" means a bank, financial institution, cooperative, nonprofit voluntary agency, or other organization or entity, as determined by the President, that has the capability of making and servicing a loan in accordance with this section; and

(3) the terms "private sector development activity" and "private enterprise investment" include the construction of low- and medium-income housing and shelter.

[SEC. 109. (a) Before entering into agreements with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

[(1) devoting land resources to the production of needed food rather than to the production of nonfood crops-especially nonfood crops in world surplus;

[(2) development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprises;

[(3) training and instructing farmers in agricultural methods and techniques, and reducing illiteracy among the rural poor,

[(4) constructing adequate storage facilities;

[(5) improving marketing and distribution systems;

[(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

[(7) establishing and maintaining Government policies to insure adequate incentives to producers;

[(8) establishing and expanding institutions for adaptive agricultural research;

[(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales);

[(10) carrying out voluntary programs to control population growth;

[(11) carrying out programs to improve the health of the rural poor, including the immunization of children; and

[(12) promoting the conservation and study of biological diversity.

In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.]

SEC. 109. SELF-HELP MEASURES.

(a) To be eligible to enter into agreements for the grant or sale of United States agricultural commodities under this title, the proposed recipient country must undertake self-help measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based economically and environmentally sustainable growth through such activities as the following:

(1) fostering increased agricultural production (with emphasis on small farms), processing, forestry management, land and water management;

(2) fostering the availability of agricultural inputs necessary for argicultural growth;

(3) improving marketing, storage, transportation and distribution systems;

(4) promoting and developing credit policies for private-sector agricultural development;

(5) promoting increased access to food supplies through the encouragement of policies and programs designed to increase employment and incomes within the country;

(6) promoting free and open markets;

(7) establishing and maintaining government policies to ensure adequate incentives to producers;

(8) establishing and expanding institutions for basic and applied agricultural research and use of such research through development of extension services;

(9) carrying out voluntary family planning, including increased access to voluntary family planning services;

(10) carrying out programs promoting improved health and self-sustaining primary health care systems;

(11) supporting programs to improve the health of the poor, focusing on the special health needs of children and mothers; and

(12) preservation of biological diversity.

In negotiating the terms of an agreement under this title, the President shall take into consideration the overall development strategy of the recipient country and any other United States development activities in that country.

* * * * * * *

[(c)] *(b)* Each agreement entered into under this title shall describe the program which the recipient country is undertaking to improve its production, storage, and distribution of agricultural commodities; and shall provide for termination of such agreement whenever the President finds that such program is not being adequately developed.

[(d)] *(c)(1)* In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be descirbed (A) to the [maximum] extent feasible, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will [be the major beneficiaries of] *benefit from* the self-help measures pursuant to each agreement.

[(2) The President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures that the recipient country otherwise would have undertaken irrespective of that agreement or amendment.]

[(3)] *(2)* The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carried out.

(3) An agreement with the recipient country under this title shall, to the extent practicable, be entered into not later than November 30 of the first fiscal year in which such commodities are to be shipped under the agreement.

* * * * * * *

[SEC. 110. Agreements shall not be entered into under this title during any calendar year which will call for an appropriation to reimburse the Community Credit Corporation in an amount in excess of $1,900,000,000, plus any amount by which agreements entered into under this title in prior years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior years.]

* * * * * * *

SEC. 112. (a) * * *

(b) To assist in determining whether the requirements of subsection (a) are being met, the Committee on Agriculture, Nutrition, and Forestry of the Senate or the Community on [International Relations] *Foreign Affairs* of the House of Representatives may require the President to submit in writing information demonstrating that an agreement will directly benefit the needy people in country.

* * * * * * *

[(d) The President shall transmit to the Speaker of the House of Representatives, the President of the Senate, and the Committee on Agriculture, Nutrition, and Forestry of the Senate in the annual presentation materials on planned programming of assistance under this Act, a full and complete report regarding the steps he has taken to carry out the provisions of this section.]

[SEC. 113. In the allocation of funds made available under this title, priority shall be given to financing the sale of food and fiber commodities.]

* * * * * * *

SEC. 115. (a) * * *

(b) Notwithstanding any other provision of law, any commission, fee, or other compensation of any kind paid or to be paid by any supplier of a commodity or ocean transportation financed by the Commodity Credit Corporation under this title, to any agents, brokers, or other representatives of the importer or importing country, including a corporation owned or controlled by the importer or the government of the importing country, shall be reported to the Secretary of Agriculture by the supplier of the commodity or ocean transportation. The report shall identify the person or entity to whom the payment is made and the transaction in connection with which the payment is made. The Secretary shall maintain such information for public inspection, publish a report thereof annually, and forward a copy of the report to the Committee on Agriculture and the Committee on [International Relations] *Foreign Affairs* of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Any supplier of a commodity or ocean transportation who fails to file such a report or who files a false report shall be ineligible to furnish—directly or indirectly—commodities or ocean transportation financed under this title for a period of *not more than* five years.

TITLE II

SEC. 201. (a) [The President] *Notwithstanding the provisions of any other Act, the President* is authorized to determine requirements and furnish agricultural commodities *under this title,* on behalf of the people of the United States of America, to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for need persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such agricultural commodities determined to be available under section 401 as he may request.

(b) The minimum quantity of agricultural commodities distributed under this title for each of the fiscal year [ending September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990,] *1991 through 1995* shall be 1,900,000 metric tons, of which not less than 1,425,000 metric tons for nonemergency programs shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program; unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title.

(c)(1) * * *

(2) The President may waive the requirement under paragraph (1)(B) or make available a smaller percentage of [fortified or processed] *fortified, processed, or bagged* food than required under

paragraph (1)(B) during any fiscal year in which the President determines that the requirements of the programs established under this title will not be best served by the distribution of [fortified or processed] *fortified, processed, or bagged* food in the amount required under paragraph (1)(B).

* * * * * * *

SEC. 207. (a) * * *

* * * * * * *

(d)(1) Not less than $10,000,000 and not more than $13,500,000 of the amounts made available in each fiscal year to nonprofit voluntary organizations and cooperatives under this title shall be made available by the President to such organizations and cooperatives to assist in—

(A) establishing new programs under this title; and

(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

(2) In order to receive funds made available under paragraph (1), a nonprofit voluntary organization or cooperative must submit a request, to be approved by the President, for such funds when submitting a proposal to the President for an agreement under this title.

(3) Such request for funds shall include a specific explanation of—

(A) the program costs to be offset by such funds;

(B) the reason why such funds are needed in carrying out the particular assistance program; and

(C) the degree to which such funds will improve the provision of food assistance to countries of the world (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).

* * * * * * *

SEC. 209. FOOD AID ADVISORY GROUP.

The President shall establish a Food Aid Advisory Group composed of the Administrator of the Agency for International Development and the Secretary of Agriculture, or their designees, and representatives of nonprofit voluntary agencies and cooperatives to provide advice on the implementation of programs under this title.

[TITLE III

[SEC. 301. (a) In order to establish a strong relationship between United States food assistance and efforts by developing countries to increase the availability of food for the poor in such countries and improve in other ways the quality of their lives, the President is authorized to encourage the use of the resources provided by the concessional financing of agricultural commodities under this Act for agricultural and rural development, including voluntary family planning, health, and nutrition programs, by permitting the funds accruing from the local sale of such commodities, or the dollar sales value of the commodities themselves, which are used for such purposes to be applied against the repayment obligation of governments receiving concessional financing under this Act. The agreement between the United States Government and an eligible developing country government which provides for repayment of the obligation to the United States accruing from the concessional sale of United States agricultural commodities by the use in the participating country of funds from the sale of such commodities or of the commodities themselves for specified development purposes shall be called a Food for Development Program.

[(b) The overall goal of assistance under this title shall be to increase the access of the poor in the recipient country to a growing and improving food supply through activities designed to improve the production, protection, and utilization of food, and to increase the well-being of the poor in the rural sector of the recipient country. Assistance under this title shall be used for programs of agricultural development, rural development, nutrition, health services (including immunization of children) and population planning, and the program described in section 406(a)(1) of this Act, in those countries which are undertaking (or are seriously prepared to undertake in connection with the provision of agricultural commodities under this Act) self-help measures to increase agricultural production, improve storage, transportation and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, when such programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act. Particular emphasis should be placed on activities which effectively assist small farmers, tenants, sharecroppers, and landless agricultural laborers, by expanding their access to the rural economy through services and institutions at the local level, and otherwise providing opportunities for the poor who are dependent upon agriculture and agriculturally related activities to better their lives through their own efforts.

[(c) In the event of a serious natural disaster in a country participating in a Food for Development Program, funds accruing from the sale of commodities made available under this title may be used, with the approval of the United State Government, for disaster relief, rehabilitation, and reconstruction assistance in any rural or urban area of that country adversely affected by the disaster. Such assistance may include (but is not limited to) food, medicine, and medical supplies, shelter, and in-country transportation.

[SEC. 302. (a) Whenever the President, in consultation with the government of a developing country, determines that such developing country meets the criteria specified in subsection (b) of this section and could benefit from the sale of United States agricultural commodities (including processed and blended foods) for the purposes of generating funds or distributing such commodities for agricultural and rural development, and improving food distribution and use within such country, the President may designate such country as eligible for a Food for Development Program.

[(b) In order to be eligible for a Food for Development Program under this section, a country must (1) have a need for external resources to improve its food production, marketing, distribution, and storage systems; (2) meet the criterion used to determine basic eligibility for development loans of the International Development Association of the International Bank for Reconstruction and Development; (3) have the ability to utilize effectively the resources made available by the sale of food commodities under this section for the purposes specified in clause (1) of this subsection; and (4) indicate the willingness to take steps to improve its food production, marketing, distribution, and storage systems.

[(c)(1) Except as provided in paragraph (2) of this subsection, the aggregate value of all agreements entered into under this title—

[(A) for fiscal year 1978, shall be not less than 5 percent,

[(B) for fiscal year 1979, shall be not less than 10 percent, and

[(C) for fiscal year 1980 and each fiscal year thereafter, shall be not less than 10 percent,

of the aggregate value of all agreements entered into under title I of this Act for such fiscal year.

[(2) The President may waive the requirement of paragraph (1) of this subsection with respect to a fiscal year if he determines that there are an insufficient number of agricultural and rural development projects which qualify for assistance under this title and that therefore the humanitarian purposes of this Act would be better served by furnishing financing under other provisions of this Act. Any such waiver shall be reported to the Congress, together with a detailed statement of the reasons for the lack of acceptable projects and a detailed description of efforts by the United States Government to assist eligible countries, pursuant to section 303(a), in identifying appropriate projects for assistance under this title.

[(3) Greatest efforts shall be made by relevant United States agencies to encourage maximum utilization of assistance for Food for Development projects under this title, even beyond the minimums required by paragraph (1) of this subsection.

[(4) In developing and carrying out Food for Development Programs under this title, consideration shall be given to using the capability and expertise of American agriculture, and of United States nonprofit voluntary agencies and cooperatives in partnership with indigenous individuals and organizations, in furthering economic development and increased food production.

[SEC. 303. (a) A country designated as eligible and wishing to particpate in a Food for Development Program shall formulate, with the assistance (if required) of the United States Government, a multiyear proposal which shall be submitted to the President. Such proposal shall include an annual value or amount of agricultural commodities proposed to be financed under the authority of title I of this Act pursuant to the provisions of this title, and a plan for the intended uses of commodities or the funds generated from the sale of such commodities on an annual basis. Such proposal shall also specify the nature and magnitude of problems to be affected by the effort, and shall present targets in qualified terms, insofar as possible, and a description of the relationships among the various projects, activities, or programs to be supported.

[(b) The multiyear utilization proposal for a Food for Development Program shall include, but not be limited to, a statement of how assistance under such Program will be integrated into and complement that country's overall development plans and other forms of bilateral and multilateral development assistance, including assistance made available under section 103 of the Foreign Assistance Act of 1961 or under any other title of this Act.

[(c) In his review of any utilization proposal for a Food for Development Program, the President shall be satisfied that such assistance is intended to complement, but not replace, assistance authorized by the Foreign Assistance Act of 1961, or any other program of bilateral or multilateral assistance, or under the development program of the country desiring to initiate a Food for Development Program.

[SEC. 304. (a) Whenever a utilization proposal has been agreed upon by the Presidnet and the participating country, the Commodity Credit Corporation is authorized to furnish credit under the authority of title I of this Act to the participating country for the purchase of a specific annual value of agricultural commodities to be delivered over a period of from one to five years, subject to the availability of commodities under section 401 of this Act.

[(b) Nothwithstanding any other provision of this Act, no payment except as provided for under this title shall be required of the recipient government as a part of any agreement to finance the sale of agricultural commodities pursuant to a Food for Development Program.

[(c) In making food assistance available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the President may waive any requirement contained in section 303 (a) or (b), in that portion of section 303(c) which requires that assistance under this title is intended to complement but not replace any part of the development program of the participating country, or in section 306, if he finds that such country is unable to meet such requirement but could use assistance under this title to meet important humanitarian or developmental objectives of this Act. Such waivers, and the reasons therefor, shall be reported annually by the President to the Congress.

[(d) The Commodity Credit Corporation may pay, with respect to commodities made available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, freight charges from United States ports to designated ports of entry abroad or to designated points of entry abroad in the case of landlocked countries.

[SEC. 305. (a) Funds generated from the sale of agricultural commodities by any participating country under this title shall be held in a special account, where practicable, to be disbursed for the purposes described in the approved Food for Development Program of such country. The amount of funds disbursed for such purposes and in accordance with the agreement shall be deemed payment for the purposes of section 103(b) of this Act. Disbursements of funds from the special account in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title.

[(b) Such disbursement shall be deemed to be payments with respect to the credit furnished pursuant to the agreement or if, in the case of a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the disbursement in a fiscal year are greater than the amount of the annual repayment obligation which that country would have to meet for that fiscal year under the agreement but for the disbursements in accordance with the Food for Development Program, then the disbursements, which are in excess of the amount of that annual repayment obligation may, to the extent provided in the agreement, be considered as payments with respect to the annual repayment obligations of that country for that fiscal year under other financing agreements under this Act.

[(c) When agricultural commodities made available under this title are used by the participating country in development progjects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.

[SEC. 306. Not more than one year after the initial delivery of commodities to any country under this title and each year thereafter for the period of agreement, the government of the participating country, with the assistance (if requested) of the United States Government, shall submit a comprehensive report to the President on the activities and progress achieved under the Food for development Program for such country, including, but not limited to, a comparison of results with projected targets, a detailed description of how the commodities were used or a specific accounting for funds generated, their uses, and the outstanding balances at the end of the most recent fiscal year. Such annual report may also include recommendations for modification and improvement in the Food for Development Program of such country.

[SEC. 307. (a) Each year the President shall review all agreements providing for the use under this title of the proceeds from the sale of agricultural commodities, or of the commodities themselves, with respect to which there was not full disbursement during the preceding fiscal year. The results of such review shall be included in the annual report to the Congress required under seciton 408(a) of this Act.

[(b) If the President finds that the provisions of an agreement are not being substantially met, he shall not extend financing for sales under this title until the end of the following fiscal year or until the situation is remedied, whichever occurs first, unless the failure to meet the provisions is due to unusual circumstances beyond the control of the recipient government.

[SEC. 310. The Secretary shall, whenever he determines that such action is in the best interest of the United States, and to the maximum extent practicable, barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) such strategic or other materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration of substantially less storage charges as the President may designate, or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs. He is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private channels, such barters or exchanges or to utilize the authority conferred on him by section 4(h) of the Commodity Credit Corporation Charter Act, as amended, to make such barters or exchanges.[134] To the maximum extent practicable, the Secretary shall solicit bids from, and utilize, private trading firms to arrange or make barters or exchanges for strategic or other materials under clause (a). In carrying out barters or exhcnages authorized by this section, no restrictions shall be placed on the countries of the free world into which surplus agricultural commodities may be sold, except to the extent that the Secretary shall find necessary in order to take reasonable precautions to safeguard usual marketings of the United States and to assure that barters or exchanges under this Act will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars. The Secretary may permit the domestic processing of raw materials of foreign origin. The Secretary shall endeavor to cooperate with other exporting countries in preserving normal pattern of commercial trade with respect to commodities covered by formal multilateral international marketing agreements to which the United States is a party. Agencies of the United States Government procuring such materials, goods, or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials. Barter or exhcnage of agricultural commodities under clause (a) of this section shall be limited to exchange for materials which originate in the country to which the surplus agricultural commodities are exported and to arrangements which will prevent resale or transshipment of the agricultural commodities to other countries.]

TITLE IV

SEC. 401. (a) After consulting with other agencies of the Government affected and within policies laid down by the President for implementing this Act, and after taking into account productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary of Agriculture shall, *prior to the beginning of each fiscal year,* determine the agricultural commodities and quantities thereof available for disposition under the Act[, and the commodities and quantities thereof which may be included in the negotiations with each country] *The Secretary of Agriculture may, during the fiscal year, modify such determination to include additional quantities or commodities available for such disposition.* No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity, unless the Secretary of Agriculture determines that some part of the supply thereof should be used to carry out urgent humanitarian purposes of this Act.

(b)*(1)* No agricultural commodity may be financed or otherwise made available under the authority of this Act except upon a determination by the Secretary of Agriculture that (1) adequate storage facilities are available in the recipient country at the time of exportation of the commodity to prevent the spoilage or waste of the commodity, and (2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country.

(2) In making agricultural commodities available under title I, the President shall consider—

(A) the time of harvest of any competing commodities in the recipient country; and

(B) such other concerns determined to be appropriate by the President.

(c) In implementing this Act, the Secretary of Agriculture shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide food assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multiyear agreements entered into under this Act.

SEC. 402. The term "agricultural commodity" as used in this Act shall include any agricultural commodity produced in the United States (including fish, without regard to whether such fish are harvested in aquaculture operations) or product thereof *(including all ingredients contained therein, if available, and provided under title II)* produced in the United States: *Provided however,* That the term "agricultural commodity" shall not include alcoholic beverages, and for the purposes of title II of this Act, tobacco or products thereof. The foregoing proviso shall not be construed as prohibiting representatives of the domestic wine, beer, distilled spirits, or other alcoholic beverage industry from participating in market development activities carried out with foreign currencies made available under title I of this Act which have as their purpose the expansion of export sales of United States agricultural commodities. In the allocation of funds made available under title I of this Act, priority shall be given to financing the sale of food and fiber commodities.

* * * * * * *

[SEC. 406. (a) In order to further assist friendly developing countries to become self-sufficient in food production, the President is authorized, notwithstanding any other provision of law—

[(1) To establish and administer a program of farmer-to-farmer assistance between the United States and such countries to help farmers in such countries in the practical aspects of increasing food production and distribution and improving the effectiveness of their farming operations;

[(2) To enter into contracts or other cooperative agreements with, or make grants to, land-grant colleges and universities and other institutions of higher learning in the United States to recruit persons who by reason of training, education, or practical experience are knowledgeable in the practical arts and sciences of agriculture and home economics, and to train such persons in the practical techniques of transmitting to farmers in such countries improved practices in agriculture, and to participate in carrying out the program in such countries including, where desirable, additional courses for training or retraining such countries;

[(3) To consult and cooperate with private non-profit farm organizations in the exchange of farm youth and farm leaders with developing countries and in the training of farmers of such developing countries within the United States or abroad;

[(4) To conduct research in tropical and subtropical agriculture for the improvement and development of tropical and subtropical food products for dissemination and cultivation in friendly countries;

[(5) To coordinate the program authorized in this section with other foreign assistance activities of the United States;

[(6) To establish by such rules and regulations as he deems necessary the conditions for eligibility and retention in and dismissal from the program established in this section, together with the terms, length and nature of service, compensation, employee status, oaths of office, and security clearances and such persons shall be entitled to the benefits and subject to the responsibilities applicable to persons serving in the Peace Corps pursuant to the provisions of section 612, volume 75 of the Statutes at Large, as amended; and

[(7) To the maximum extent practicable, to pay the costs of such program through the use of foreign currencies accruing from the sale of agricultural commodities under this Act, as provided in section 104(i).

[(b) There are hereby authorized to be appropriated not to exceed $33,000,000 during any fiscal year for the purpose of carrying out the provisions of this section.]

SEC. 406. FARMER-TO-FARMER PROGRAM.

(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of such farmers;

(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and non-profit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a person-to-person basis, to such countries while enhancing the democratic process by supporting private and public agriculturally-related organizations who request and support technical assistance activities through cash and in-kind services;

(4) enter into contracts, cooperative agreements, or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness or non-profit farm organizations, to the extent practicable, to carry out this section;

(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

(b) DEFINITIONS.—As used in this section—

(1) EMERGING DEMOCRACIES.—The term "emerging democracy" means a country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building and the cultural values, institutions, and organizations of democratic pluralism.

(2) MIDDLE INCOME COUNTRY.—The term "middle income country" means a country that has developed economically to the point where it does not qualify for bilateral foreign assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs.

(c) MINIMUM FUNDING.—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.

[SEC. 407. There is hereby established an Advisory Committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of both the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman and the ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations, or their designees (who shall be members of such committees or, in the case of members from the executive branch, who shall have been confirmed by the Senate). The Advisory Committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, and uses to be made of foreign currencies which accrue in connection with sales for foreign currencies under title I, the amount of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made and shall advise the President with respect thereto. The Advisory Committee shall meet not less than four times during each calendar year at the call of the Acting Chairman of such Committee who shall preside in the following order: The chairman of the House Committee on Agriculture, the chairman of the Senate Committee on Foreign Relations, the chairman of the Senate Committee on Agriculture and Forestry, and the chairman of the House Committee on Foreign Affairs.]

SEC. 407. ADMINISTRATIVE PROVISIONS.

(a) AVOIDANCE OF CONFLICTS OF INTEREST.—No person may act as an agent, broker, consultant, or other representative of—

(1) the Federal Government,

(2) an importer, or

(3) an importing country

in connection with commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term "transportation-related services" means lightening, stevedoring, bagging, or inland transportation to the destination point.

(b) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this Act unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

(c) LIMITATION ON COMMISSIONS.—No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this Act may be paid in excess of an amount determined appropriate by the President.

SEC. 408. [(a) The President shall make a report to Congress not later than February 15 each year with respect to the activities carried out under this Act during the preceding fiscal year. Such report shall describe the progress of each country with which agreements are in effect under title I in carrying out its agreements under such title.] (a) The President shall submit a statement to Congress not later than June 1 of each fiscal year specifying the agreements signed under this Act for that fiscal year. Such statement shall also specify for each country with which there is an agreement under this Act for that fiscal year, the amount that country requested and is receiving under the Food for Progress Act of 1985, section 416 of the Agricultural Act of 1949, title I of this Act, and title II of this Act. With respect to title II, the statement shall indicate for each country—

(1) the quantity provided through the World Food Program, nonprofit voluntary agencies or cooperatives (identified by name), or government-to-government agreements;

(2) the type and quantity of each commodity provided; and

(3) the quantity provided for each program category.

* * * * * * *

(e) The President shall, no later than the end of the fiscal year, submit a statement to Congress on the number of requests submitted and the number of requests approved under section 207 for that fiscal year for the generation of foreign currency proceeds, the amount of foreign currency proceeds generated, and a summary of the uses of such proceeds.

(f) on World Food Day, October 16 of each year, the President shall submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report, prepared with the assistance of the Secretary of Agriculture and the Administrator of the Agency for International Development, assessing progress towards food security in each country receiving United States government food assistance.

[(e)**]** *(g)* Bagged commodities for the purpose of financing by the Commodity Credit Corporation under this Act may, subject to regulations issued by the Secretary of Agriculture, be considered "exported" upon delivery at port, and upon presentation of a dock receipt in lieu of an on-board bill of lading.

SEC. 409. No agreement to finance sales under title I and no programs of assistance under title II shall be entered into after December 31, **[**1990**]** *1995.* New spending authority provided for title I of this Act by the amendments to this section made by the Agriculture and Food Act of 1981 **[**and the Food Security Act of 1985**]**, *the Food Security Act of 1985, and the Food and Agricultural Resources Act of 1990* shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

* * * * * * *

[SEC. 413. In order to best meet the humanitarian and developmental purposes of this Act, commodities provided under this Act for developmental purposes shall be made available, to the maximum extent practicable, on a multiyear basis when necessary for the most effective accomplishment of these purposes.**]**

SEC. 413. MULTIYEAR AGREEMENTS.

Commodities provided under this Act shall be made available on a multiyear basis, subject to the requirements of section 401 and the availability of appropriations, unless—

(1) the past performance of the country in meeting program objectives does not warrant a multiyear agreement;

(2) it is anticipated that the need of the country for food aid does not extend beyond one year; or

(3) other circumstances, as determined by the President, indicate there is only a need for a one-year agreement.

AGRICULTURAL TRADE ACT OF 1978

* * * * * * *

[TITLE I—INTERMEDIATE CREDIT

[SEC. 101. Section 4 of the Food for Peace Act of 1966 is amended to read as follows:

["SEC. 4. (a) Commercial export sales of agricultural commodities out of private stocks on credit terms of not to exceed three years may be financed by the Commodity Credit Corporation under its export credit sales program.

"[(b)(1) Export sales of agricultural commodities out of Commodity Credit Corporation and private stocks on credit terms in excess of three years, but not more than ten years, may be financed by the Commodity Credit Corporation.

["(2) No export sale may be financed under this subsection unless the Secretary of Agriculture determines that the sale will—

["(A) develop, expand, or maintain the importing nation as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities without displacing normal commercial sales; or

["(B) otherwise improve the capability of the importing nation to purchase and use, on a long-term basis, United States agricultural commodities.

["(3) Consistent with the provisions of paragraph (2) of this subsection, intermediate credit financing under this subsection may be made available for the following uses:

["(A) to establish reserve stocks consistent with international commodity agreements or other stock building plans acceptable to the United States;

"[(B) the export sale of breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations;

["(C) where determined feasible, for the establishment of facilities in the importing nation to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities (through the use of local currency generated from the import and sale of United Sates agricultural commodities to finance all or part of such facilities); and

["(D) to meet credit competition for agricultural export sales.

"[(4) Intermediate credit financing under this subsection may not be used to encourage credit competition, or for the purpose of foreign aid or debt rescheduling.

["(5) The terms of credit for export sales financed under this subsection shall include the following terms:

["(A) Repayment shall be in dollars with interest at a rate equal, as nearly as practicable, to the rate charged by the Commodity Credit Corporation for financing under the Corporation's shortterm export credit sales program.

"[(B) The Secretary may, if the Secretary deems such action appropriate to protect the interests of the United States, require an initial payment from the purchaser at the time of sale or shipment of the agricultural commodity.

["(6) The Secretary shall, wherever feasible, obtain commitments from purchasers that will prevent resale or transshipment to other nations of agricultural commodities purchased with financing provided under this subsection.

[“(7)(A) Agreements to finance export sales of agricultural commodities entered into under this subsection, except agreements to finance export sales for the establishment of reserve stocks, shall be subject to such other terms and conditions as the Secretary may deem necessary or appropriate and shall be subject only to review by the National Advisory Council on International Monetary and Financial Policies.

[“(B) Agreements to finance export sales of agricultural commodities under this subsection for the establishment of reserve stocks shall be subject to such other terms and conditions as the Secretary may deem necessary and appropriate. No such agreement may become effective or be carried out until the expiration of thirty days following the date on which a detailed summary of such proposed agreement, together with a determination by the President that such financing is not adverse to the interests of United States producers of agricultural commodities, is transmitted by the Secretary to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session.

[“(8) The provisions of the cargo preference laws shall not apply to export sales financed under this subsection.

[“(9) The authority provided under this subsection shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

“[(c) The term ‘agricultural commodity’ as used in this section includes any agricultural commodity or product thereof.”.

[TITLE II—COMMODITY CREDIT CORPORATION FINANCING OF DEFERRED PAYMENT SALES; CREDIT SALES TO THE PEOPLE'S REPUBLIC OF CHINA

[COMMODITY CREDIT CORPORATION FINANCING OF DEFERRED PAYMENT SALES

[SEC. 201. (a) To develop new market opportunities for the sale of United States agricultural commodities and to maintain and expand existing foreign markets for such commodities, the Secretary of Agriculture may provide Commodity Credit Corporation financing to exporters of such commodities who wish to provide deferred payment terms to buyers in other nations in order to meet sales competition from other nations or to make additional export sales. Except as otherwise provided in section 202 of this title, financing under this section shall be available only with respect to sales to those nations that are eligible for financing under the short-term export credit sales program conducted by the Commodity Credit Corporation.

[(b) Exporters who are willing to sell United States agricultural commodities to foreign buyers on deferred payment terms of not to exceed three years and who must provide such deferred payment terms in order to meet sales competition from other nations, or to make additional export sales, may apply to the Commodity Credit Corporation for financing such sales. Financing under this section shall not be provided by the Corporation until the applicant's export sales plan has been approved by the Corporation and the applicant has established to the satisfaction of the Corporation that exports have been made in accordance with the approved plan.

[(c) Repayment to the Commodity Credit Corporation shall be made in dollars by the exporter in accordance with the terms and at interest rates contained in the approved export sales plan. Interest rates on such financing shall be no higher than those charged for financing under the short-term export credit sales program conducted by the Corporation.

[(d) The Secretary may, if the Secretary deems such action appropriate to protect the interests of the United States, require a performance guarantee from the exporter at the time of the sale.

[(e) Financing agreements with exporters entered into under this section shall be subject to such other terms and conditions as the Secretary may deem necessary or appropriate and shall be subject only to review by the National Advisory Council on International Monetary and Financial Policies.

[(f) The authority provided under this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

[CREDIT SALES TO THE PEOPLE'S REPUBLIC OF CHINA

[SEC. 202. Notwithstanding any other provision of law, in order to expand and develop markets for United States agricultural commodities, the Commodity Credit Corporation may provide financing for commercial sales of agricultural commodities out of private stocks on terms of not to exceed three years to the People's Republic of China under (1) the short-term export credit sales program conducted by the Corporation, and (2) the deferred payment sales program for exporters established under section 201 of this title.

[DEFINITION

[SEC. 203. The term "agricultural commodity" as used in this title includes any agricultural commodity or product thereof.

[TITLE III—AGRICULTURAL COUNSELORS

[SEC. 301. Title VI of the Act of August 28, 1954 (68 Stat. 908-910, as amended; 7 U.S.C. 1761-1768), is amended by—

[(1) amending the title designation to read as follows:

[“TITLE VI—FOREIGN MARKET DEVELOPMENT”;

(2) inserting immediately before section 601 the subtitle designation as follows:

[“Subtitle A—General Provisions; Agricultural Counselors and Agricultural Attachés”;

[(3) in section 601, striking out "agricultural products" wherever that phrase appears therein and inserting in lieu thereof "agricultural commodities", and striking out "said products" and inserting in lieu thereof "such commodities";

[(4) in sections 602(a), 602(e), 604, and 605, striking out "this title" wherever that phrase appears therein and inserting in lieu thereof "this subtitle";

[(5) amending section 602(b) to read as follows:

["(b) Officers or employees assigned or appointed to posts abroad under this subtitle shall have the designation of Agricultural Counselor, Agricultural Attaché, or such other titles or designations that shall be agreed to by the Secretary of State and the Secretary of Agriculture, and shall be accorded the same rank and privileges as those of other counselors or attachés in United States embassies. An Agricultural Counselor shall be appointed in any nation–

["(1) to which a substantial number of governments with which the United States competes directly for agricultural representatives with the diplomatic status of counselor or its equivalent; or

["(2) in which—

["(A) the potential is great for long-term expansion of a market for United States agricultural commodities, and

["(B) competition with other nations for existing and potential agricultural markets is extremely intense.

Not less than ten Agricultural Counselors shall be appointed within three years after the date of enactment of the Agricultural Trade Act of 1978."; and

[(6) adding at the end of section 604 a new subsection (c) as follows:

["(c) Upon the request of the Secretary of Agriculture, each Federal agency may make its services, personnel, and facilities available to officers and employees appointed and assigned to a post abroad under this subtitle in the performance of the functions of such officers and employees. The Secretary of Agriculture may reimburse or advance funds to any such agency for services, personnel, and facilities so made available."

[TITLE IV—ESTABLISHMENT OF UNITED STATES AGRICULTURAL TRADE OFFICES

[SEC. 401. Title VI of the Act of August 28, 1954, as amended by title III of this Act, is further amended by—

[(1) adding immediately after section 605 a new subtitle B as follows:

["Subtitle B—United States Agricultural Trade Offices

["SEC. 605A. (a) For the purpose of developing, maintaining, and expanding international markets for United States agricultural commodities, the Secretary of Agriculture, after consultation with the Secretary of State, shall establish not less than six nor more than twenty-five United States Agricultural Trade Offices in other nations.

["(b) Each United States Agricultural Trade Office shall be directed and administered by an Agricultural Trade Officer who by reason of training, experience, and attainments is qualified to carry out the purposes of this subtitle. Such Officer shall be appointed by the Secretary of Agriculture.

[“(c) Each Agricultural Trade Officer may be appointed without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification and General Schedule pay rates, except that no Agricultural Trade Officer (1) may be paid basic pay at a rate in excess of the maximum annual rate of basic pay payable for GS-17 of the General Schedule under section 5332 of such title, or (2) may be paid at a rate in excess of the highest rate paid to an Agricultural Counselor or Attaché, as the case may be, who is appointed under subtitle A of this title to the nation in which such Officer is to serve.

[“(d) Each Agricultural Trade Officer shall, through the Agricultural Counselor or Attaché or other senior representative of the Secretary of Agriculture in each nation in which the United States Agricultural Trade Office administered by such Officer exercises its functions, keep the Chief of the United States diplomatic mission fully and currently informed with respect to all activities and operations of such Office.

[“(e) Each Agricultural Trade Officer shall be responsible for the exercise of the functions of the United States Agricultural Trade Office, and shall have the authority to direct and supervise all personnel and activities thereof.

[“(f) To carry out the functions of United States Agricultural Trade Offices, the Secretary of Agriculture may appoint such other personnel as the Secretary determines to be necessary and may, with the concurrence of the Secretary of State, assign such personnel abroad and employ local nationals for necessary professional and clerical help.

[“(g) No employee of any United States Agricultural Trade Office may engage in any business, vocation, or other employment, or have other interests, that are inconsistent with official responsibilities.

[“(h) Upon the request of the Secretary of Agriculture, the Secretary of State shall request for Agricultural Trade Officers and personnel of United States Agricultural Trade Offices diplomatic privileges and immunities equivalent to those enjoyed by members of the Foreign Service of comparable rank and salary.

[“Sec. 605B. The functions of each United States Agricultural Trade Office shall be to—

[“(1) increase the effectiveness of agricultural export promotion efforts through consideration of activities, providing services and facilities for foreign buyers and United States trade representatives, and coordination of market development activities sponsored by the Department of Agriculture;

[“2) establish goals by nation or region and agricultural commodity for developing, expanding, and maintaining markets for United States agricultural commodities;

[“(3) initiate programs to achieve the export marketing goals approved by the Department of Agriculture;

[“(4) maintain facilities for use by nonresident cooperators, private trade groups, and other individuals engaged in the import and export of United States agricultural commodities where the use of such facilities would aid in the conduct of market development activities, and cooperate, to the maximum extent practicable, with such cooperators, groups, and individuals to expand the level of United States agricultural exports;

[“(5) develop and maintain a current listing of trade, government, and other appropriate organizations for each agricultural commodity area and make such listing available to persons with a bona fide interest in exporting or importing United States agricultural commodities;

[“(6) originate and provide assistance for exhibits, sales teams, and other functions for the promotion of United States agricultural commodities;

[“(7) provide practical assistance for the use of the programs under the Agricultural Trade Development and Assistance Act of 1954, the export credit sales program, the export incentives program, and related programs of the United States Government where use of such programs will serve as a market development tool for United States agriculture;

[“(8) to supervise project agreements with United States cooperators, coordinate the activities of the United States Agricultural Trade Office with those of the cooperators, and submit annual recommendations to the Secretary of Agriculture on the efficacy of cooperator programs;

[“(9) publicize the services offered by the United States Agricultural Trade Office through advertisements in trade journals or by other appropriate means; and

[“(10) perform such other functions as the Secretary of Agriculture, in consultation with the Secretary of State, determines to be necessary and proper for achieving the purposes of this subtitle.

[“SEC. 605C. Each United States Agricultural Trade Office shall carry out its functions under section 605B in the nation where the United States Agricultural Trade Office is located and in such other nations as the Secretary of Agriculture, in consultation with the Secretary of State, may prescribe in order to carry out the purposes of this subtitle.

[“SEC. 605D. Upon the request of the Secretary of Agriculture, the Secretary of State may use the authorities contained in the Foreign Service Buildings Act, 1926, to acquire sites and buildings, including living quarters, for the purpose of establishing United States Agricultural Trade Offices.

[“SEC. 605E. United States Agricultural Trade Offices shall be centrally located in the cities of assignment to facilitate foreign trade meetings and foreign trade reliance on such offices for assistance in marketing activities.

[“SEC. 605F. Upon the request of the Secretary of Agriculture, each Federal agency may make its services, personnel, and facilities available to a United States Agricultural Trade Office in the performance of its functions. The Secretary of Agriculture may reimburse or advance funds to any such agency for services, personnel, and facilities so made available.

[“SEC. 605G. The provisions of section 604(a) of this title shall apply with respect to personnel appointed and assigned under this subtitle.”;

[(2) redesignating section 606 as section 606A and inserting immediately after new section 605G, as added by this section, the subtitle designation and new section 606 as follows:

[“Subtitle C—Representation Allowances, Regulations, General Provisions, and Authorization for Appropriations

[“SEC. 606. Any Agricultural Trade Officer and the senior representative of the Secretary of Agriculture assigned to a nation under subtitle A of this title may, under regulations prescribed by the Secretary of Agriculture, be entitled to receive a representation allowance in an amount determined by considering (1) the extent to which such Agricultural Trade Officer or senior representative can effectively use such funds to further the purposes of this title, (2) travel and entertainment expenses customary in the private trade for persons of comparable rank and salary, and (3) customs and practices in the nation where such Agricultural Trade Officer or senior representative is assigned.”;

[(3) redesignating sections 602(d), 602(f), and 603 as sections 606B, 606C, and 606D, respectively, and inserting the redesignated sections immediately after section 606A, as redesignated by paragraph (2) of this section;

[(4) in section 606C, as redesignated by paragraph (3) of this section, striking out “subsection” wherever that word appears therein and inserting in lieu thereof “section”;

[(5) redesignating section 602(e) as 602(d) and

[(6) adding at the end thereof a new section 609 as follows:

[“SEC. 609. The term ‘agricultural commodity’ as used in this title includes any agricultural commodity or product thereof.”.]

TITLE I—GENERAL PROVISIONS

SEC. 101. DEFINITIONS.

As used in this Act—

(1) AGRICULTURAL COMMODITY.—The term “agricultural commodity” means any agricultural commodity, food, feed, or fiber and any product thereof.

(2) DEVELOPING COUNTRIES.—The term “developing country” means a country that—

(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

(B) has the potential to become a commercial market for agricultural commodities.

(3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(4) UNFAIR TRADE PRACTICE.—The term “unfair trade practice” means any act, policy or practice of a foreign country that—

(A) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement; or

(B) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

(5) UNITED STATES.—The term "United States" includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(6) UNITED STATES AGRICULTURAL COMMODITY.—The term "United States agricultural commodity" means—

(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

(B) with respect to a product of an agricultural commodity—

(i) that all the agricultural components are entirely produced in the United States; or

(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if such component—

(I) is an added, de minimis component,

(II) is not commercially produced in the United States, and

(III) there is not acceptable substitute that is entirely produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code in waters that are not waters (including the territorial sea) of a foreign country.

SEC. 102. CERTIFICATION OF COMPLIANCE.

The Secretary shall obtain certification with respect to commodities provided, or for which financing or credit guarantees are provided, under any commercial export promotion program of the Departmen of Agriculture or Commodity Credit Corporation—

(1) from countries, or importers in countries, that were the intended destination of agricultural commodities under such program that such commodities were received in that country; and

(2) from the seller or exporter of record of such commodities that there were no corrupt bonuses, extra sales services, or other items than those so provided, financed or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

SEC. 103. DEPARTMENTAL ADMINISTRATION SYSTEM.

(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

(2) monitor the progress of each proposal, specifying in a central system—

(A) the origin of the proposal;

(B) arguments supporting the proposal;

(C) arguments against the proposal;

(D) recommended action at the various stages of consideration; and

(E) the disposition of the proposal;

(3) provide for regular audits or program transactions to determine compliance with program objectives and requirements; and

(4) in the event any audit discloses noncompliance with program objectives or requirements, determine promptly whether in light of such noncompliance to suspend or debar the noncomplying party from further participation in one or more of the programs under this title, affording the alleged noncomplying party opportunity for an agency hearing.

(b) ACCESSIBILITY OF INFORMATION.--Information pertaining to a particular proposal shall be retrievable within the central system by country, commodity, proposal, and other appropriate categories, including participating financing institutions.

(c) INDEPENDENT STUDY OF WAYS TO IMPROVE IMPLEMENTATION OF SYSTEM AND IMPROVE MANAGEMENT.—The Secretary shall contract with an appropriate management consulting firm to obtain from that firm detailed recommendations on how to improve the implementation of this section and, generally, the management information systems of the Department of Agriculture and Commodity Credit Corporation with respect to such agencies' commercial export promotion programs.

SEC. 104. POLICY.

The Congress finds that the agricultural export policy of the United States should provide for increased emphasis on sales abroad of United States processed, value-added agricultural products due to the multiple benefits from such sales to United States producers, processors, exporters and the national workforce.

SEC. 105. DEVELOPMENT OF AGRICULTURAL TRADE POLICY.

(a) MARKETING GOALS.—The Secretary shall develop general United States agricultural export marketing goals, including increasing exports of United States processed, value-added agricultural products, and ensure that the commercial export promotion programs of the Department of Agriculture and Commodity Credit Corporation have a coordinated strategy to achieve those goalS.

(b) REPORT.—The Secretary, not later than November 15 of each of the fiscal years 1992 through 1995, shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate regarding—

(1) the actions the Secretary has taken the previous years to increase exports of United States processed, value added agricultural products and the problems encountered in achieving such goal;

(2) the Secretary's plans for the coming year to increase exports of United States processed, value-added agricultural products; and

(3) the Secretary's recommendations, if any, for further legislation needed to obtain the optimum national objectives with respect to the policy stated in section 104.

SEC. 106. RELIEF FROM UNFAIR TRADE PRACTICES.

(a) Use of Programs.—(1) In general.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

(2) Commodities specified.—Paragraph (1) shall apply in the case of articles for which the United States has—

"(A) instituted any dispute settlement proceeding under any international trade agreement, and

"(B) Such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

(b) Consultations Required.—For any article described in subsection (a)(2) the Secretary shall—

(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice identified in subsection (a)(2); and

(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

SEC. 107. PRESERVATION OF TRADITIONAL MARKETS.

The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for agricultural commodities.

SEC. 108. INDEPENDENCE OF AUTHORITIES.

Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

SEC. 109. PROGRAM EXPENDITURES.

Expenditures for programs under this Act shall be considered to be expenditures for export promotion and not expenditures for any price support program.

TITLE II—SPECIFIC EXPORT PROMOTION PROGRAMS

SEC. 201. EXPORT ENHANCEMENT PROGRAM.

(a) In General.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

(b) Export Bonus.—(1) In general.—In carrying out the program established under this section, the Commodity Credit Corporation may—

(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors,

or foreign purchasers at no cost either directly or through the isuance of commodity certificates; and

(B) make cash payments to exporters, users, and processors.

(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred;

(C) in the case of livestock and livestock products, develop a methodology to determine the world price and gather and analyze appropriate price and cost of production information in foreign countries for the purpose of price discovery and to aid sales in foreign markets, and publish such information periodically; and

(D) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of 5 U.S.C. 552, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from Congress.

(4) DIVERSION OF CARGO.—(A) IN GENERAL.—The Secretary shall ensure that commodities exported under the program established under this section arrive at the specified destination country. The Secretary may provide for an exception is such arrival does not occur due to force majeure.

(B) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under the program established under this section fail to arrive at the specified destination country, except as provided under subparagraph (A)—

(i) any person receiving, or who otherwise would receive, a bonus under this section in connection with such commodities shall be liable for the amount of such bonus and shall be ineligible for participation in the program established under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

(ii) if such failure is attributable in whole or in part to the specified destination country, no bonus is made available for exports to such country for a period of 1 year or more.

(C) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this paragraph shall be ineligible to participate in the program established under this section for a period of up to 5 years. The Secretary shall provide that no bonus is made available under the program established under this

section for exports to any country that engages in any scheme or device to circumvent the provisions of this paragraph for a period of at least one year.

(D) OTHER REMEDIES UNAFFECTED.—The remedies provided under this paragraph are in addition to any remedy available under any other provision of law.

(5) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

(6) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to a United States exporter, user, or processor, or foreign purchaser, under the program established under this section, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

(7) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

(c) PRIORITY IN THE CASE OF DAIRY CATTLE.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include in connection with the purchase of the livestock appropriate herd management training, veterinary services, nutritional training and other technical assistance necessary for the adaption of the livestock to foreign environments.

(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

(e) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require exporters, users, or processors who receive bonuses under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter, user, or processor relating to the program transaction for the 5-year period following the completion of the program transaction.

(2) NON-PROGRAM TRANSACTIONS.—The Secretary may require exporters, users, or processors participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

(f) FUNDING LEVELS.—(1) IN GENERAL.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

(2) Limitation.—Not more than 10 percent of the funds and commodities made available for a fiscal year to carry out the program established under this section may be made available to promote the export of agricultural commodities described in section 101(6)(B)(ii).

SEC. 202. MARKET PROMOTION PROGRAM.

(a) In General.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

(b) Type of Assistance.—Assistance under this section shall be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

(c) Requirements for Participation.—(1) In general.—To be eligible for assistance under this section, an organization shall—

(A) be an eligible trade organization;

(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

(C) meet any other requirements established by the Secretary.

(2) Priority basis for export assistance.—The Secretary shall provide assistance under this section on a priority basis in the case of an unfair trade practice.

(d) Eligible Trade Organizations.—An eligible trade organization shall be—

(1) an organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organizations would significantly contribute to United States export market development.

(e) Approved Marketing Plan.—(1) In general.—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising and other export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

(2) Requirements.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

(C) contain whatever additional requirements are determined by the Secretary to be necessary.

(3) Amendments.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

(4) Branded promotion.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

(f) Other Terms and Conditions.—(1) Multiyear basis.—The Secretary may provide assistance under this section on a multiyear basis, subject to annual review for compliance with the approved marketing plan by the Secretary.

(2) Termination of assistance.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

(D) the unfair trade practice that was the basis of the provision of assistance has been stopped and marketing assistance is no longer required to offset its effect; or

(E) the Secretary determines that termination of assistance in a particular instance is in the best interest of the program.

(3) Evaluations.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation not later than 15 months after the initial provision of funds to the recipient.

(4) Availability of records.—(A) In general.—An eligible trade organization that received assistance under this section shall maintain all records concerning the use of assistance under this program for a period for years after completion of the program transaction and shall permit the Secretary to have full and complete access to the financial records of the organization relating to the use of assistance under this program while such organization is a participant in the program and for a period of 5 years thereafter.

(B) Non-program transactions.—The Secretary may require eligible trade organizations participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

(5) Level of marketing assistance.—(A) In general.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program and the level of cost-sharing required of such organization.

(B) Limitation.—Assistance provided under this section to private organizations for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost shall be consistent and such cost shall be documented.

(g) Program Level.—The Commodity Credit Corporation shall make available assistance under this section at a level not less than $200,000,000 for each of the fiscal years 1991 through 1995.

(h) Regional Trade Center Set-Aside.—(1) In general.—The Secretary shall establish as an objective reserving an amount of assistance provided under this section for the benefit of applicants whose applications have been forwarded to the Secretary by the 4 regional non-profit export trade associations established by a number of States in cooperation with the Foreign Agricultural Service, Department of Agriculture, and for the benefit of the National Association of State Departments of Agriculture for purposes such as the conduct of export promotion trade fairs and other export promotional activities.

(2) Desired level of set-aside.—The desired amounts of such assistance should be provided at levels no less than the following schedule of set-aside funding:

(A) 10 percent in fiscal year 1991,
(B) 11 percent in fiscal year 1992,
(C) 12 percent in fiscal year 1993,
(D) 13 percent in fiscal year 1994, and
(E) 14 percent in fiscal year 1995

as the Secretary may determine will best effectuate the goals of this section.

SEC. 203. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

In the case of any program, such as that established under section 201, operated by the Secretary or the Commodity Credit Corporation during the years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sale of high-value agricultural commodities and value-added products of United States agricultural commodities.

TITLE III—TRADE REPORTING

SEC. 301. EXPORT REPORTING AND CONTRACT SANCTITY.

(a) Export Sales Reports.—(1) In general.—All exporters of wheat and wheat flour, feed grains, oilseeds, cotton and products thereof, and other commodities the Secretary may designate produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

(A) type, class, and quantity of the commodity sought to be exported;
(B) the marketing year of shipment; and
(C) destination; if known.

(2) Confidentiality and compilation of reports.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

(3) Immediate reporting.—All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

(4) Monthly reporting permitted.—The Secretary may, with respect to any commodity or type or class thereof during any period in which he determines that there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements, and that total supplies of such commodity in the exporting countries are estimated to be in surplus, and that anticipated exports will not result in excessive drain on domestic supplies, and that to require the reports to be made will unduly hamper export sales, provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

(b) Report on Origin of Commodities.—(1) In general.—The Secretary shall require each person making a commercial export of any agricultural commodity or product thereof (hereinafter in this section referred to as a "good") that is determined by the Secretary to be of commercial significance, before or upon that exportation, to report the quantity of such good so exported, and the percentage of the agricultural components produced in the United States and percentage produced in a foreign country by value and weight, and shall also report such percentages by crop year and type, if necessary or appropriate to determine the identity of the United States and foreign agricultural components of the good exported.

(2) Exemption.—A person shall not be required to report any information under paragraph (1) that cannot be obtained from records maintained in the ordinary course of business.

(3) Codes.—The Secretary may establish codes to identify the type and characteristics of each commodity for the purposes of reports under paragraph (1).

(4) Compilation of reports.—Individual reports shall remain confidential in accordance with subsection (c) but may be compiled by the Secretary and published in compilation form on a quarterly basis.

(c) Confidentiality.—The individually identifiable information contained in reports under this section shall be kept confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Whoever being an officer or employee in the Department knowingly discloses, except as required by court order, to the public information made confidential by this subsection shall be fined under title 18, United States Code, or imprisoned not more than one year, or both. Nothing in this section shall be construed to authorize the withholding of information from Congress.

(d) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned not more than one year, or both.

(e) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity or the products thereof under an export sales contract (1) entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity or products thereof, (2) the terms of which require delivery of the or products thereof within 270 days after the date of the suspension of trade is imposed, except that the President may prohibit or curtail the export of any commodity or the products thereof during a period for which the President has declared a national emergency or for which Congress has declared war.

TITLE IV—REPORTS

SEC. 401. NONGOVERNMENTAL SUBSIDIES.

(a) IN GENERAL.—The Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Commitee on Agriculture, Nutrition, and Forestry of the Senate specifying any nongovernmental subsidies provided in any foreign country. In compiling such report, the Secretary shall give priority to specifying those nongovernmental subsidies provided to livestock and commodities for which there is a price support program or marketing agreement or order in effect in the United States.

(b) DEADLINES.—The Secretary shall submit the report specified in subsection (a) no later than 180 days after the date of enactment of the Food and Agricultural Resources Act of 1990, and shall submit additional reports at 1 year intervals for each of the next 5 years after the submission of the first report.

* * * * * * *

SECTION 4 OF THE FOOD FOR PEACE ACT OF 1966

SEC. 4. (a) * * *

(b)(1) Export sales of agricultural commodities out of Commodity Credit Corporation and private stocks on credit terms in excess of three years, but not more than ten years, may be financed by the Commodity Credit Corporation. In addition, the corporation may guarantee the repayment of loans made to finance such sales. For the purpose of this paragraph, the term "agricultural commodities" includes wood and processed wood products, as defined in section 1125(d) of the Food Security Act of 1985 (7 U.S.C. 1736t(d)). *In making available any assistance under this paragraph with respect to wood and processed wood products, the Commodity Credit Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products.*

(2) No export sale may be financed and no loan may be guaranteed, under this subsection unless the Secretary of Agriculture determines that the sale will *directly benefit United States, agricultural producers and will—*

(A) develop, expand, or maintain the importing nation as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities without displacing normal commercial sales;

(B) otherwise improve the capability of the importing nation to purchase and use, on a long-term basis, United States agricultural commodities; or

(C) otherwise promote the export of United States agricultural commodities.

* * * * * * *

(5) Intermediate financing or guarantees, under this subsection may not be used for the purpose of foreign aid, *foreign policy,* or debt rescheduling:

* * * * * * *

(10) For purposes of guaranteeing export sales under this subsection, the Commodity Credity Corporation shall make [available—

(A) for each of the fiscal years ending September 30, 1986, through September 30, 1988, not less than $500,000,000; and

(B) for each of the fiscal years ending September 30, 1989 and September 30, 1990, not more than $1,000,000,000] *available not less than $500,000,000 for each of fiscal years 1991 through 1995.*

* * * * * * *

(e) Restriction.—The Corporation shall not make credit guarantees available for exports to any country the Secretary determines cannot adequately service the debt associated with the guarantee.

(f) Fraud.—If the Corporation finds that any exporter or assignee has engaged in fraud or in any scheme, trick or device to misuse or misappropriate any credit guarantee made available under this section, the relevant export credit guarantee issued under this section is no longer valid.

(g) Diversion of Cargo.—(1) In general.—The Secretary shall ensure that commodities exported under any program under this section arrive at the specified destination country. The Secretary may provide for an exception is such arrival does not occur due to force majeure.

(2) Enforcement.—The Secretary shall provide that in the case commodities exported under any program under this section fail to arrive at the specified destination country, except as provided under paragraph (1)—

(A) any person receiving a credit guarantee under this section in connection with such commodities shall be liable for the amount of any amounts paid under such guarantee and shall be ineligible for participation in any program under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

(B) if such failure is attributable in whole or in part to the specified destination country, no credit or guarantee is made

available under any program under this section for exports to such country for a period of 1 year or more.

(3) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this subsection shall be ineligible to participate in any program under this section for a period of up to 5 years. The Secretary shall provide that no credit or guarantee is made available under any program under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this subsection for a period of at least one year.

(4) OTHER REMEDIES UNAFFECTED.—The remedies provided under this subsection are in addition to any remedy available under any other provision of law.

(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

(i) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secertary shall require exporters under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter relating to the program transaction for the 5-year period following the completion of the program transaction.

(2) NON-PROGRAM TRANSACTIONS.—The Secertary may require exporters participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

SECTION 812 OF THE AGRICULTURAL ACT OF 1970

[EXPORT SALES REPORTING

[SEC. 812. All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities the Secretary may designate produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period: (a) type, class, and quantity of the commodity sought to be exported, (b) the marketing year of shipment, (c) destination, if known. Individual reports shall remain confidential but shall be compiled by the Secretary and published in compilation form each week following the week of reporting. All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as he may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily. Any person (or corporation) who knowingly fails to report export sales pursuant to the requirements of this section shall be fined not more than $25,000 or imprisoned not more than one year, or both. The Secretary may, with respect to any commodity or type or class thereof during any period in which he determines that there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements, and that total supplies, of such commodity in the exporting countries are estimated to be in surplus, and that anticipated exports will not result in excessive drain on domestic supplies, and that to require the reports to be made will unduly hamper export sales, provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis. Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity or the products thereof under an export sales contract (1) entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity or products thereof, (2) the terms of which require delivery of the commodity or products thereof within two hundred and seventy days after the date the suspension of trade is imposed, except that the President may prohibit or curtail the export of any commodity or the products thereof during a period for which the President has declared a national emergency or for which Congress has declared war.]

SECTION 4 OF THE RESEARCH FACILITIES ACT

SEC. 4. (a) There are authorized to be appropriated, for grants to eligible institutions under this Act to be used for the purpose set out in section 2, [$20,000,000] *$50,000,000* for each of the fiscal years [ending September 30, 1986, through September 30, 1990] *1991 through 1995.*

NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

TITLE XIV—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SHORT TITLE

SEC. 1401. This title may be cited as the "National Agricultural Research, Extension, and Teaching Policy Act of 1977".

Subtitle A—Findings, Purposes, and Definitions

FINDINGS

[SEC. 1402. Congress finds that—

[(1) The Federal Government of the United States has provided funding support for agricultural research and extension for many years in order to promote and protect the general health and welfare of the people of the United States, and this support has significantly contributed to the development of the Nation's agricultural system;

[(2) the agencies conducting such federally supported research were established at different times in response to different and specific needs and their work is not fully coordinated;

[(3) These agencies have only been partially successful in responding to the needs of all persons affected by their research, and useful information produced through such federally supported research is not being efficiently transferred to the people of the United States;

[(4) expanded agricultural research and extension are needed to meet the rising demand for food and fiber caused by increases in worldwide population and food shortages due to short-term, localized, and adverse climatic conditions;

[(5) increased research is necessary to alleviate inadequacies of the marketing system (including storage, transportation, and distribution of agricultural and forest products) which have impaired United States agricultural production and utilization;

[(6) advances in food and agricultural sciences and technology have become increasingly limited by the concentration upon the thorough development and exploitation of currently known scientific principles and technological approaches at the expense of more fundamental research, and a strong research effort in the basic sciences is necessary to achieve breakthroughs in knowledge that can support new and innovative food and agricultural technologies;

[(7) Federal funding levels for agricultural research and extension in recent years have not been commensurate with needs stemming from changes in United States agricultural practices and the world food and agricultural situation;

[(8) new Federal initiatives are needed in the areas of—

[(A) research to find alternatives to technologies based on fossil fuels;

[(B) research and extension on human nutrition and food consumption patterns in order to improve the health and vitality of the people of the United States;

[(C) research to find solutions to environmental problems caused by technological changes in food and agricultural production;

[(D) aquacultural research and extension;

[(E) research and extension directed toward improving the management and use of the Nation's natural and renewable resources, in order to meet the increased demand for forest products, conserve water resources (through irrigation management, tail water reuse, desalination, crop conversion, and other water conservation techniques), conserve soil resources, and properly manage rangelands;

[(F) improving and expanding the research and extension programs in home economics;

[(G) extension programs in energy conservation;

[(H) extension programs in forestry and natural resources, with special emphasis to be given to improving the productivity of small private woodlands, modernizing wood harvesting and utilization, developing and disseminating reliable multiple-use resource management information to all landowners and consumers, and the general public, wildlife, watershed, and recreational management, and cultural practices (including reforestation, protection, and related matters);

[(I) research on climate, drought, and weather modification as factors in food and agricultural production;

[(J) more intensive agricultural research and extension programs oriented to the needs of small farmers and their families and the family farm system, which is a vital component of the agricultural production capacity of this country;

[(K) research to expand export markets for agricultural commodities;

[(L) development and implementation, through research, of more efficient, less wasteful, and environmentally sound methods of producing, processing, marketing, and utilizing food, fiber, waste products, other nonfood agricultural products, and forest and rangeland products;

[(M) expanded programs of animal disease and health care research and extension;

[(N) research to develop new crops, in order to expand our use of varied soils and increase the choice of nutritional and economically viable crops available for cultivation;

[(O) investigation and analysis of the practicability, desirability, and feasibility of using organic waste materials to improve soil tilth and fertility, and extension programs to disseminate practical information resulting from such investigations and analyses; and

[(P) research on new or improved food processing (such as food irradiation) or value-added food technologies;

[(9) the existing agricultural research system consisting of the Federal Government, the land-grant colleges and universities, other colleges and universities engaged in agricultural research, the agricultural experiment stations, and the private sector constitute an essential national resource which must serve as the foundation for any further strengthening of agricultural research in the United States;

[(10) it is and has been the policy of the United States to support food and agricultural research, extension, and teaching in the broadest sense of these terms. The partnership between the Federal Government and the States, as consummated in legislation and cooperative agreements, and the cooperative nature of efforts to implement this policy in cooperation with the food and agricultural industry has been eminently successful. Cooperative research, extension, and teaching programs have provided the United States with the most productive and efficient food and agricultural system in the world. This system is the basis of our national affluence and it provides vast amounts of food and fiber to other people around the world. However, the food and agricultural system is dynamic and constantly changing. The research, entension, and teaching programs must be maintained and constantly adjusted to meet ever-changing challenges. National support of cooperative research, extension, and teaching efforts must be reaffirmed and strengthened to meet major needs and challenges in the following areas:

[(A) FOOD AND AGRICULTURAL SYSTEM PRODUCTIVITY.—Increases in agricultural productivity have been outstanding, however, productivity growth in the past decade has slowed. It is imperative that improved technologies and management systems be developed to maintain and enhance agricultural productivity in order for agricultural production in the United States to meet the demand of a rising world population, rising costs of production, and limitations on energy consumption. Improved productivity in food and agricultural processing and marketing sectors is a critical need in the national effort to achieve a strong economy.

[(B) AGRICULTURAL POLICY.—The effects of technological, economic, sociological, and environmental developments on the agricultural structure of the United States are strong and continuous. It is critical that emerging agricultural-related technologies, economic changes, and sociological and environmental developments, both national and international, be analyzed on a continuing basis in an interdisciplinary fashion to determine the effect of those forces on the structure of agriculture and to improve agricultural policy decisionmaking.

[(C) DEVELOPMENT OF NEW FOOD, FIBER, AND ENERGY SOURCES.—Programs to identify and develop new crop and animal sources of food, fiber, and energy must be undertaken to meet future needs.

[(D) AGRICULTURAL ENERGY USE AND PRODUCTION.—Much of the current agricultural technology is relatively energy intensive. It is critical that alternative technologies be developed to increase agricultural energy efficiency and to reduce dependence on petroleum products. Furthermore, agriculture provides the United States with alternative potential sources of energy that must be assessed and developed.

[(E) COORDINATION OF BIOTECHNOLOGY RESPONSIBILITIES OF FEDERAL GOVERNMENT.—Biotechnology guidelines and regulations must be made consistent throughout the Federal Government so they may promote scientific development and protect the public. The biotechnology risk assessment processes used by various Federal agencies must be standardized.

[(F) NATURAL RESOURCES.—Improved management of soil, water, forest, and range resources is vital to maintain the resource base for food, fiber, and wood production. An expanded research program in the areas of soil and water conservation and forest and range production practices is needed to develop more economical and effective management systems. Key objectives of this research are—

[(i) incorporating water and soil-saving technologies into current and evolving production practices;

[(ii) developing more cost-effective and practical conservation technologies;

[(iii) managing water in stressed environments;

[(iv) protecting the quality of the surface water and groundwater resources of the United States;

[(v) establishing integrated multidisciplinary organic farming research projects, including research on alternative farming systems, that will identify options from which individual farmers may select the production components that are most appropriate for their individual situations.;

[(vi) developing better targeted pest management systems; and

[(vii) improving forest and range management technologies that meet demands more efficiently, better protect multiresource options, and enhance quality of output.

[(G) PROMOTION OF THE HEALTH AND WELFARE OF PEOPLE.—The basic objectives of food and agricultural research, extension, and teaching programs are to make the maximum contribution to the health and welfare of people and the economy of the United States through the enhancement of family farms, to improve community services and institutions, to increase the quality of life in rural America, and to improve the well-being of consumers. The rapid rate of social change, economic instability, and current energy problems increase the need for expanded programs of research and extension in family financial management, housing and home energy consumption, food preparation and consumption, human development (including youth programs), and development of community services and institutions.

[(H) HUMAN NUTRITION.--The challenge to meet the food needs of the world continues, but there is an increasing need to address nutrition research and educational issues associated with diet resulting from changing life styles and with respect to special groups such as the elderly, teenagers, infants, and pregnant women.

[(I) INTERNATIONAL FOOD AND AGRICULTURE.—United States agricultural production has proven its ability to produce abundant quantities of food for an expanding world population. Despite rising expectation for improved diets in the world today, there are instances of drought, civil unrest, economic crisis, or other conditions that preclude the local production or distribution of food. There are instances where localized problems impede the ability of farmers to produce needed food products. It is also recognized that many nations have progressive and effective agricultural research programs that produce results of interest and applicability to United States agriculture. The exchange of knowledge and information between nations is essential to the well-being of all nations. A dedicated effort involving the Federal Government, the State cooperative institutions, and other colleges and universities is needed to expand international food and agricultural research, extension, and teaching programs. Improved cooperation and communication by the Department of Agriculture and the cooperators with international agricultural research centers, counterpart agencies, and universities in other nations are necessary to improve food and agricultural progress throughout the world.

[(11) long-range planning for research, extension, and teaching is a key element in meeting the objectives of this title; accordingly, all of the elements in the food and agricultural science and education system are encouraged to expand their planning and coordination efforts; and

[(12) the agricultural system of the United States—

[(A) is increasingly dependent on science and technology to maintain and improve productivity levels, manage the resource base, provide high quality products, and protect the environment; and

[(B) requires a constant source of food and agricultural scientific expertise to maintain this dynamic system.**]**

SEC. 1402. FINDINGS.

Congress finds the following:

(1) The Federal Government has provided funding support for agricultural research and extension for many years in order to promote and protect the general health and welfare of the people of the United States, and this support has significantly contributed to the development of the Nation's agricultural system.

(2) The existing agricultural research system consisting of the Federal Government, the land-grant colleges and universities, other colleges and universities engaged in agricultural research, the agricultural experiment stations, and the private sector constitute an essential national resource that must serve as the foundation for any further strengthening of agricultural research in the United States.

(3) The agencies conducting federally supported research were established at different times in response to different and specific needs and their work is neither fully coordinated among these agencies nor with the non-Federal agricultural research activities.

(4) Long-range planning for research, extension, and teaching is a key element in meeting the objectives of this title; accordingly, all of the elements in the food and agricultural science and education system are encouraged to expand their planning and coordination efforts.

(5) These agencies have only been partially successful in responding to the needs of all persons affected by their research, and useful information produced through such federally supported research is not being efficiently transferred to the people of the United States.

(6) The agricultural system in the United States is increasingly dependent on science and technology and requires a constant source of food and agricultural scientific expertise to maintain this dynamic system.

(7) Expanded agricultural research and extension are needed to meet the rising demand for food and fiber products caused by increases in worldwide population, market forces, and food shortages.

(8) Advances in food and agricultural sciences and technology have become increasingly limited by the periodic imbalances between the thorough development and exploitation of currently known scientific principles and technological approaches and concentration upon more fundamental research, requiring a continuing review and balancing of research emphasis.

(9) Federal funding levels for agricultural research and extension in recent years have not always been commensurate with needs stemming from changes in the United States agricultural practices and the world food and agricultural situation.

(10) It has been, and continues to be, the policy of the United States to support food and agricultural research, extension, and teaching in the broadest sense of these terms. The partnership between the Federal Government and the States (as consummated in legislation and cooperative agreements and in efforts to implement this policy in cooperation with the food and agricultural industry) has provided the United States with the most productive and efficient food and agricultural system in the world. This system is the basis of our national affluence and provides vast amounts of food and fiber to people in other countries. The food and agricultural system is dynamic and constantly changing, however, and research, extension, and teaching programs must be maintained and constantly adjusted to meet new challenges and opportunities. National support of cooperative research, extension, and teaching efforts must be reaffirmed and strengthened to meet major societal needs and scientific opportunities. Efforts in the food and agricultural sciences are needed in the following areas:

(A) PLANT SYSTEMS.—Special emphases are needed on plant genome structure and function; molecular and cellular genetics and plant and microbial biotechnology; plant-pest interactions and biocontrol systems; crop plant response to environmental stresses; improved nutrient qualities of plant products; new food, feed, fiber, and industrial uses of plant products; and development of new crops, best management practices, integrated crop management, and other cropping systems.

(B) ANIMAL SYSTEMS.—Special emphases are needed on cellular, molecular, physiological, and behavioral basis of animal reproduction, growth, disease, and health; identification of genes responsible for improved production traits and resistance to disease, improved nutritional performance of animals; improved nutrient qualities and safety of animal products and development of new animal products; enhanced animal production practices and technologies; animal husbandry and well-being; and animal systems applicable to aquaculture.

(C) NUTRITION, FOOD QUALITY, AND HEALTH AND WELFARE.—Special emphases are needed on microbial contaminants and toxic contaminants and residues related to

human health; links between diet and health, including monitoring the nutritional status of the population, especially critical subpopulations; nutrition education; rural family welfare; home economics; bioavailability of nutrients, postharvest physiology and practices; and improved processing technologies.

(D) NATURAL RESOURCES AND THE ENVIRONMENT.--Special emphases are needed on fundamental structures and functions of ecosystems; biological and physical bases of integrated production systems; minimizing soil losses and degradation, sustaining surface and ground water quality, and maximizing water availability through conservation; forest and range management and productivity; weather and climatic effects on agriculture.

(E) ENGINEERING, PRODUCTS, AND PROCESSES.—Special emphases are needed on new uses and new products from crops, animals, byproducts, waste products and natural resources; robotics, computing, and expert systems; information and communications technologies and systems; energy efficiency, conservation, and the development of alternative, renewable energy sources; new hazard and risk assessment and mitigation measures; and natural resource and environmental quality and management.

(F) MARKETS, TRADE, AND AGRICULTURAL POLICY.—Special emphases are needed on optimal strategies for entering and competing in domestic and overseas markets; new decision tools for on-farm and in-market systems; choices and applications of technology; new approaches to economic development and viability in the rural United States, with emphases on family farming operations; international cooperation in agricultural research, extension, and teaching; and agricultural and nutritional improvements in developing nations.

(11) Research and extension efforts should be directed toward the development of integrated production systems which are profitable, environmentally and agronomically sound, offer diverse production and market options, and increase rural economic and social vitality.

(12) The Secretary should seek, on an annual basis, the assistance and guidance of the Board on Agriculture of the National Research Council, National Academy of Sciences, in identifying—

(A) science and technology opportunities, training, and the manpower needs of the United States;

(B) opportunities to advance the sustainability and profitability of agricultural enterprises;

(C) applications of science and technology in enhancing the safety and nutritional attributes of food; and

(D) factors underlying the long-run international competitiveness of agriculture in the United States and the prospective role of the United States in meeting human food needs.

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DEFINITIONS

SEC. 1404. When used in this title—

(1) * * *

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(15) the term "cooperating forestry schools" means those institutions eligible to receive funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; [and]

(16) the term "State cooperative institutions" or "State cooperative agents" means institutions or agents designated by—

(A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

(B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act, including the Tuskegee Institute;

(C) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

(D) the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act;

(E) the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

(F) subtitles E, L, and M of this title; *and*

(17) the term "sustainable agriculture" means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term—

(A) satisfy human food and fiber needs;

(B) enhance environmental quality and the natural resource base upon which the agriculture economy depends;

(C) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;

(D) sustain the economic viability of farm operations; and

(E) enhance the quality of life for farmers and society as a whole.

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Subtitle B—Coordination and Planning of Agricultural Research, Extension, and Teaching

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[JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES]

[SEC. 1407. (a)]

SEC. 1407. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

(a) TERM.—The Secretary shall establish within the Department of Agriculture a committee to be known as the Joint Council on Food and Agricultural Sciences which shall have a term that expires September 30, [1990] *1995.*

(b) *COMPOSITION.*—The Joint Council shall be composed of not fewer than [twenty-five] *twenty-one* representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, [including State cooperative institutions; other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching; agencies within the Department of Agriculture which have significant research, extension, or teaching responsibilities; the Office of Science and Technology Policy; other Federal agencies determined by the Secretary to be appropriate, and other public and private institutions, producers, and representatives of the public who are interested in and have a potential to contribute, as determined by the Secretary, to the formulation of national policy in the food and agricultural sciences,] *including—*

(1) six representatives from State cooperative institutions, including at least one from institutions eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.) including Tuskegee University;

(2) four representatives from agencies within the Department of Agriculture which have significant research, extension, and teaching responsibilities;

(3) one representative from public colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, and teaching;

(4) one representative from colleges and universities conducting research related to the food and agricultural sciences;

(5) three representatives from private organizations or corporations conducting research in the food and agricultural sciences, including one representative from the food processing industry involved in food technology research;

(6) one representative from among foundations funding researchy in the food and agricultural sciences;

(7) one representative from among farmers, ranchers, and other producers or domestic agricultural commodities;

(8) one representative from the Office of Science and Technology Policy;

(9) two representatives from other Federal agencies determined by the Secretary to be appropriate;

(10) one representative from the National academy of Sciences; and

(11) to the extent the Joint Council is composed of more than twenty-one members, representatives of other public and private institutions, producers, and representatives of the public who are interested in and have the potential to contribute to (as determined by the Secretary) the formulation of national policy in the food and agricultural sciences.

Members shall be appointed for a term of up to three years by the Secretary from nominations made by the organizations and agencies described in the preceding sentence. The terms of members shall be staggered. [To ensure that regional differences are properly considered, at least one-half of the members of the Joint Council shall be appointed by the Secretary from among distinguished persons engaged in agricultural research, extension, or teaching programs at land-grant colleges and universities and State agricultural experiment stations. To ensure that other agricultural institutional experiment stations. To ensure that other agricultural institutional views are considered by the Joint Council, two of the members of the Joint Council shall be appointed by the Secretary from among persons who are distinguished representatives of other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching. To ensure that the views of food technologists are considered by the Joint Council, one of the members of the Joint Council shall, as determined to be appropriate by the Secretary, be appointed by the Secretary from among distinguished persons who are food technologists from accredited or certified departments of food technology, as determined by the Secretary.] The Joint Council shall be jointly chaired by the Assistant Secretary of Agriculture repsonsible for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council.

(c) *TIME FOR MEETINGS.*—The Joint Council shall meet a least once during each three-month period. At least one meeting each year shall be a combined meeting with the Advisory Board.

(d) *RESPONSIBILITIES.*—(1) The primary responsibility of the Joint Council is to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving planning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes.

(2) The Joint Council's responsibilities shall also be to—

(A) provide a forum for the interchange of information among the organizations represented by the members of the Joint Council that will assure improved awareness among these organizations concerning the agricultural research, extension, and teaching programs, results, and directions of each organization;

(B) analyze and evaluate the economic, environmental, and social impacts of agricultural research, extension, and teaching programs conducted in the United States [and determine high priority agricultural research areas, and submit annual reports identifying such high priority research areas to the Secretary];

(C) determine high priority issues and goals for agricultural research, extension, and teaching programs, and submit to the Secretary and to Congress annual reports identifying such high priority issues and goals;

[(C)] *(D)* develop and review the effectiveness of a system, for use by the Secretary, of compiling, maintaining, and disseminating information about each federally supported agricultural research or extension project and, to the maximum extent possible, information about private agricultural research and extension projects conducted by colleges and universities, foundations, contract research groups, businesses, and others. Information about private agricultural research and extension projects shall not be included in this system unless they are partially or entirely funded by the Federal Government or the organizations sponsoring the projects agree to the inclusion of information about such projects;

[(D)] (*E*) assist the parties in developing, reviewing, and evaluating memoranda of understanding or other documents that detail the terms and conditions between the Secretary and the participants in agricultural research, extension, and teaching programs under this Act and other Acts;

[(E)] (*F*) assist the Secretary in carrying out the responsibilities assigned to the Secretary under this title through planning and coordination in the food and agricultural sciences, by using, wherever possible, the existing regional research, extension, and teaching organizations of State cooperative institutions to provide regional planning and coordination, and by the development of recommendations and reports describing current and long-range needs, priorities, and goals in the food and agricultural sciences and means to achieve these goals;

[(F) develop, and review the effectiveness of, guidelines for use by the Secretary in making competitive grants under section 2(b) of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), as amended by section 1414 of this title;]

(G) submit a report—

(i) not later than June 30 of each year, specifying the Joint Council's recommendations on priorities for food and agricultural research, extension, and teaching programs; delineating suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs; [and] specifying the levels of financial and other support needed to carry out such programs;

[(ii) not later than November 30 of each year, specifying ongoing research, extension, and teaching programs; accomplishments of such programs; and future expectations of these programs; and

[(iii) not later than June 30, 1983, outlining a five-year plan for food and agricultural sciences that reflects the coordinate views of the research, extension, and teaching community; and updating this plan every two years thereafter.]

(ii) not later than June 30 of every second year, updating the five-year plan for food and agricultural sciences prepared by the Joint Council that reflects the coordinated views of the research, extension, and teaching community; and specifying the progress being made toward implementing the plan outlined in the previous report.

Each such report shall be submitted to the Secretary of Agriculture. Minority views, if timely submitted, shall be included in such report; and *indicating progress made toward accomplishing the priorities and associated levels of financial and other support recommended in the annual report issued in the prior year; and delineating the activities of the Board in meeting its responsibilities under this subsection; and*

* * * * * * *

(e) *OPEN MEETINGS AND RECORDS.*—The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.

[(f) The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 shall not apply to the Joint Council.]

[NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

[SEC. 1408. (a) The Secretary shall establish within the Department of Agriculture a board to be known as the National Agricultural Research and Extension Users Advisory Board which shall have a term that expires September 30, 1990.

[(b) The Advisory Board shall be composed of the following twenty-five members to be appointed by the Secretary to serve staggered terms—

[(1) eight members representing producers of agricultural, forestry, and aquacultural products, from the various geographical regions,

[(2) four members representing consumer interests,

[(3) two members representing farm suppliers and food and fiber processors,

[(4) two members representing food marketing interests,

[(5) two members representing environmental interests,

[(6) one member engaged in rural development work,

[(7) two members engaged in human nutrition work,

[(8) one member representing animal health interests,

[(9) one member engaged in transportation of food and agricultural products to domestic or foreign markets,

[(10) one member representing labor organizations primarily concerned with the production, processing, distribution, or transportation of food and agricultural products, and

[(11) one member representing private sector organizations involved in development programs and issues in developing countries.

[(c) The Advisory Board shall select a chairman and vice-chairman from its membership, at its first meeting each year, who shall serve in those positions for a term of one year.

[(d) The Advisory Board shall meet at least once during each four-month period. At least one meeting each year shall be a combined meeting with the Joint Council.

[(e) The Advisory Board is authorized to establish such panels as it deems appropriate to develop information, reports, advice, and recommendations for the use of the Advisory Board in meeting its responsibilities. Members of such panels may include members of the Advisory Board, Advisory Board staff members, individuals from the Department of Agriculture and other departments and agencies of the Federal Government, and individuals from the private sector who have expertise in the subject to be examined by the panel.

[(f)(1) The Advisory Board shall have general responsibility for preparing independent advisory opinions on the food and agricultural sciences.

[(2) The Advisory Board shall have the specific responsibilities

[(A) reviewing the policies, plans, and goals of programs within the Department of Agriculture involving the food and agricultural sciences, and related programs in other Federal and State departments and agencies and in the colleges and universities developed by the Secretary under this title;

[(B) reviewing and assessing the extent of agricultural research and extension being conducted by private foundations and businesses, and the relationships of such research and extension to federally supported agricultural research and extension;

[(C) reviewing and providing consultation to the Secretary on national policies, priorities, and strategies for agricultural research and extension for both the short and long term;

[(D) assesing the overall adequacy of, and making recommendations to the Secretary with regard to, the distribution of resources and the allocation of funds authorized by this title;

[(E) preparing and submitting to the Secretary, not later than July 1 of each year, a statement of recommendations as to allocations of responsibilities and levels of funding among federally supported agricultural research and extension programs, which shall include a review and an assessment of the allocation of funds for agricultural research and extension made for the preceding fiscal year by the organizations represented on the Joint Council. Minority views, if timely submitted, shall be included in the submission. The Secretary shall submit copies of the statement to the Subcommittee on Food and Renewable Resources of the Federal Coordinating Council for Science, Engineering, and Technology, and the Joint Council;

[(F) not later than February 20 of each year submitting a report on its appraisal of the President's proposed budget for the food and agricultural sciences for the fiscal year beginning in such year and the recommendations of the Secretary contained in the annual report submitted by the Secretary pursuant to the provisions of section 1410 of this title. Such report shall be submitted to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations. The report may include the separate views of members of the Advisory Board. The first report shall be due not later than March 1, 1979; and

[(G) coordinating with the Secretary in assessing the current status of, and developing a plan for, the effective transfer of new technologies to the farming community.]

SEC. 1408. NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD.

(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a board to be known as the National Agricultural Research and Extension Users Advisory Board (hereafter in this section referred to as the "Advisory Board") which shall remain in existence until September 30, 1995.

(b) MEMBERSHIP.—The Advisory Board shall be composed of 21 members appointed by the Secretary. The members shall be appointed to serve staggered terms, in a manner determined appropriate by

the Secretary. The members of the Advisory Board shall consist of the following:

(1) One member who is a producer representing farm cooperatives.

(2) Two members who are producers representing general farm organizations.

(3) Four members who are producers representing agricultural commodities, forest product, and aquacultural product groups from various geographic regions.

(4) One member representing agricultural farm suppliers.

(5) One member representing food and fiber processors.

(6) One member representing animal health interests.

(7) One member engaged in transportation of food and agricultural products to domestic or foreign markets.

(8) One member representing labor organizations primarily concerned with the production, processing, distribution, or transport of food and agricultural products.

(9) One member representing food marketing interests.

(10) One member representing private nonprofit organizations and foundations involved in agricultural research, sustainable agricultural research, education, and extension.

(11) One member representing private sector organizations involved in development programs and issues in developing countries.

(12) One member repesenting agencies of the Department of Agriculture that do not have research capabilities.

(13) One member engaged in rural development work.

(14) One member engaged in human nutrition work.

(15) Two members representing consumer interests, including one member who represents nonprofit consumer advocacy organizations.

(16) One member representing nonprofit environmental protection organizations.

(c) CHAIRPERSON; VICE-CHAIRPERONS.—At the first meeting each year of the Advisory Board, the members of the Advisory Board shall elect a chairperson and vice-chairperson from the members. The chairperson and vice-chairperson shall serve in such positions for a term of one year.

(d) MEETINGS.—The Advisory Board shall meet a sufficient number of times each year to carry out its responsibility under subsection (f). At least one meeting each year shall be held as a combined meeting with the Joint Council.

(e) PANELS.—The Advisory Board may establish such panels as the Advisory Board considers appropriate to develop information, reports, advice, and recommendations for the use of the Advisory Board in meeting the responsibilities of the Advisory Board. Members of such panels may include members of the Advisory Board, Advisory Board staff members, individuals from the Department of Agriculture and other departments and agencies of the Federal government, and individuals from the private sector who have expertise in the subject to be examined by the panel.

(f) RESPONSIBILITIES.—(1) The Advisory Board shall have general responsibility for preparing independent advisory opinions on the food and agricultrual sciences.

(2) The Advisory Board shall have specific responsibility to perform the following duties:

(A) Review the policies, plans, and goals of programs within the Department of Agriculture involving the food and agricultrual sciences, and related programs in other Federal and State departments and agencies and in the colleges and universities developed by the Secretary under this title.

(B) Review and assess the extent of agricultural research, teaching, and extension being conducted by the private sector and the relationships and coordination of such activities with Federally supported agricultural research, teaching, and extension programs.

(C) Review and provide consultation to the Secretary on national policies, priorities, and strategies for agricultural research and extension for both the short and long term.

(D) Assess the overall adequacy of the distribution of resources and the allocation of funds authorized by this title and make recommendations to the Secretary, Federal agencies, and private organizations that are contributing to agricultural research, extension, and education funding with regard to such distribution and allocation.

(E) Identify emerging agricultrual research, teaching, and extension issues and suggest programs and technology transfer solutions for use by the public and private agricultural science and education community.

(F) Evaluate the results and the effectiveness of research and extension programs with regard to their influence on long-term goals of agriculture expressed in section 1403 and consumer needs.

(g) REPORTS BY THE ADVISORY BOARD.—(1) Not later than July 1 of each year, the Advisory Board shall provide and oral briefing to the Secretary (by the chairperson of the Advisory Board) and a written report to Congress and the Secretary of recommendations concerning the allocation of responsibilities and levels of funding among Federally supported agricultural research and extension programs. The Advisory Board shall include in each oral briefing and written report prepared under this paragraph—

(A) a review and assessment of the allocation of funds for agricultural research and extension made for the preceding fiscal year by the Department of Agriculture;

(B) an evaluation of—

(i) the effectiveness of coordination of Federal and private research initiatives;

(ii) new research and extension programs that need to be conducted by the research system; and

(iii) the effectiveness of the private and public research and extension system; and

(C) minority views, if timely submitted.

(2) Not later than February 20 of each year, the Advisory Board shall submit to the President, the Committees on Agriculture and Appropriations of the House of Representatives, and the Committees on Agriculture, Nutrition, and Forestry and Appropriations of the Senate a report containing—

(A) an appraisal by the Advisory Board of the proposed budget of the President for the food and agricultural sciences for the fiscal year beginning in the year that report is submitted;

(B) the recommendations of the Secretary contained in the annual report submitted by the Secretary pursuant to section 1410; and

(C) separate views of members of the Advisory Board, if timely submitted.

(3) Each report prepared by the Advisory Board shall list the membership of the Advisory Board as of the time the report was prepared, including the organizational and employment affiliation of each member of the Advisory Board.

(h) Report by Secretary.—Not later than February 1 of each year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the manner in which the recommendations of the Advisory Board have been incorporated into the budget and programs of the Department of Agriculture.

(i) Support.—The Secretary shall provide such support and staffing for the Advisory Board as is necessary for the Advisory Board to carry out its duties under this section.

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[FEDERAL-STATE PARTNERSHIP AND COORDINATION]

[Sec. 1409A. (a)]

SEC. 1409A. FEDERAL-STATE PARTNERSHIP AND COORDINATION.

(a) Existence of Partnership.—A unique partnership arrangement exists in food and agricultural research, extension, and teaching between the Federal Government and the governments of the several States whereby the States have accepted and have supported, through legislation and appropriations—

(1) * * *

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(b) *Cooperative Human Nutrition Centers.—(1)* In order to promote research and education in food and human nutrition, the Secretary may establish cooperative human nutrition centers to focus resources, facilities, and scientific expertise on particular high priority nutrition problems identified by the Department. Such centers shall be established at State cooperative institutions; and at other colleges and universities, having a demonstrable capacity to carry out human nutrition research and education.

(2) In order to promote further human nutrition research and greater utilization of existing facilities, the Secretary shall establish a cooperative food science nutrition research center for the southeast region of the United States at the Pennington Biomedical Research Center of Louisiana State University.

(c) *Health and Welfare.*—In order to meet the increasing needs of consumers and to promote the health and welfare of people, the Secretary shall ensure that the cooperative research, extension, and teaching programs of the various States adequately address the challenges described in paragraph (10) of section 1402 of this title. The Secretary may implement new cooperative initiatives in home economics and related disciplines to address such challenges.

(d) *AGRICULTURAL POLICY ALTERNATIVES.*—(1) To promote research for purposes of developing agricultural policy alternatives, the Secretary is encouraged—

(A) to designate at least one State cooperative institution to conduct research in an interdisciplinary fashion; and

(B) to report on a regular basis with respect to the effect of emerging technological, economic, sociological, and environmental developments on the structure of agriculture.

(2) Support for this effort should include grants to examine the role of various food production, processing, and distribution systems that may primarily benefit small- and medium-sized family farms, such as diversified farm plans, energy, water, and soil conservation technologies, direct and cooperative marketing, production and processing cooperatives, and rural community resource management.

(e) *FARM INPUT COSTS AND OTHER MATTERS.*—To address more effectively the critical need for reducing farm input costs, improving soil, water, and energy conservation on farms and in rural areas, using sustainable agricultural methods, adopting alternative processing and marketing systems, and encouraging rural resources management, the Secretary is encouraged to designate at least one State agricultural experiment station and one Agricultural Research Service facility to examine these issues in an integrated and comprehensive manner, while conducting ongoing pilot projects contributing additional research through the Federal-State partnership.

(f) ANIMAL LEAN CONTENT RESEARCH.—The Secretary is encouraged to fund research for the development of technology which will ascertain the lean content of animal carcasses to be used for human consumption.

(g) ETHANOL RESEARCH.—In order to further carry on and enhance needed ethanol research, the facility of the Agricultural Research Service located at Peoria, Illinois (authorized by section 202 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1292)), may enter into cooperative agreements, contracts, and the exchange of scientific information with the Department of Energy in the area of ethanol research. Such facility shall hereafter be referred to as the National Agricultural Research Laboratory, Agricultural Research Service, United States Department of Agriculture.

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Subtitle C—Agricultural Research and Education Grants and Fellowships

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[GRANTS TO ESTABLISH OR EXPAND SCHOOLS OF VETERINARY MEDICINE

[SEC. 1415. (a) The Secretary shall conduct a program of grants to States for the purpose of meeting the costs of contruction, employing faculty, acquiring equipment, and taking other action relating to the initial establishment and initial operation of schools of veterinary medicine, or the expansion of existing schools of veterinary medicine, as determined by the Secretary by regulations.]

SEC. 1415. GRANTS TO ENHANCE RESEARCH CAPACITY IN SCHOOLS OF VETERINARY MEDICINE.

(A) Competitive Grant Program.—The Secretary shall conduct a program of competitive grants to States for the purpose of meeting the costs of renovation and construction, improving compliance with Federal regulations, employing faculty, acquiring equipment, and taking other action related to the improvement of schools of veterinary medicine to ensure agricultural competitiveness on a worldwide basis. This grant program shall be based on a matching formula of 50 per centum Federal and 50 per centum State funding.

(b) *Preference.*—Except with respect to the States of Alaska and Hawaii, the Secretary shall give preference in awarding grants to States which file, with their application for funds under this section, assurances satisfactory to the Secretary that—

(1) the State has established, [or has made a reasonable effort to establish,] a veterinary medical training program with one or more States without colleges of veterinary medicine which consists of appropriate cooperative agreements providing for a sharing of curriculum and costs by the individual States; and

[(2) the clinical training of the school to be established or expanded shall emphasize care and preventive medical programs for food-producing animals.]

(2) the clinical training of the school to be improved shall emphasize care and preventive medical programs for food animals and companion animals (including horses) which support industries of major economic importance.

* * * * * * *

(c) *Apportionment and Distribution of Funds.*—Funds appropriated to carry out this section for any fiscal year shall be apportioned and distributed as follows:

(1) * * *

* * * * * * *

[GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION

[Sec. 1417. (a)(1) The Secretary shall promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs.

[(2) The Secretary may make grants to land-grant colleges and universities, and to other colleges and universities having a demonstrable capacity to carry out food and agricultural teaching, for a period not to exceed five years—

[(A) to strengthen institutional capacities to respond to State, national, or international educational needs in the food and agricultural sciences;

[(B) to attract students and to educate them as needed in the food and agricultural sciences, and to attract needed professionals to provide for their professional improvement in the food and agricultural sciences;

[(C) to design and implement innovative food and agricultural educational programs; and

[(D) to facilitate cooperative agreements between two or more eligible institutions to maximize the use of faculty and facilities to improve their food and agricultural teaching programs.

Each recipient institution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used.

[(3) The Secretary may make competitive grants to colleges and universities for a period not to exceed five years—

[(A) to develop or administer programs to meet unique food and agricultural educational problems; and

[(B) to administer and conduct specialized programs to attract individuals for undergraduate and graduate programs and to administer and conduct graduate fellowship programs to meet regional and national objectives in the food and agricultural sciences.

Each recipient institution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used.

[(b) The Secretary shall conduct a program of predoctoral and postdoctoral fellowships in the food and agricultural sciences. These fellowships shall be made in the following two categories:

[(1) Predoctoral fellowships, each for a period of up to four years. The purpose of these fellowships shall be to provide training and increase research capabilities in areas of need as identified by each State. These fellowships shall be awarded on the basis of merit, as determined by review panels established annually by the Secretary, to graduate students from each of the States, if the following criteria are satisfied:

[(A) the student is enrolled in a graduate degree program in a college or university; and

[(B) the student intends to pursue or is pursuing a course of study in the food and agricultural sciences which is directly related to an area of need as identified by the Governor or chief executive officer of the State.

At least three such fellowships shall be awarded to students from each State in every year.

[(2) Postdoctoral fellowships, each for a period of from one to five years. The purpose of these fellowships shall be to attract highly promising investigators to research careers in the basic sciences related to agriculture and to provide stipends and research support for their training and establishment as independent investigators. In making awards under this paragraph, the Secretary shall give priority to individuals doing basic research at colleges and universities.

[(c) Funds authorized in section 22 of the Act of June 29, 1935 (49 Stat. 439, as amended; 7 U.S.C. 329), are transferred to and shall be administered by the Secretary of Agriculture. There are hereby transferred to the Secretary all the functions and duties of the Secretary of Education under the Act of June 29, 1935 (7 U.S.C.

329) applicable to the activities and programs for which funds are made available under section 22 of such Act.

[(d) There are authorized to be appropriated for purposes of carrying out this section $50,000,000 for each of the fiscal years ending September 30, 1982, through September 30, 1990.

[(e) The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications or proposals submitted under this section.]

SEC. 1417. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) HIGHER EDUCATION PROGRAMS IN THE FOOD AND AGRICULTURAL SCIENCES.—(1) The Secretary shall promote and strengthen higher education in the food and agricultural sciences by formulating and administering programs to enhance college and university teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agricultural system.

(2) The Secretary may make grants for the purposes described in paragraph (3) to—

(A) land-grant colleges and universities;

(B) colleges and universities with significant minority enrollments that have a demonstrable capacity to carry out the teaching of food and agricultural sciences; and

(C) other colleges and universities that have a demonstrable sciences.

(3) a grant may be made under this subsection to—

(A) strengthen institutional capacities to respond to State, national, or international educational needs in the food and agricultural sciences;

(B) attract and support graduate and undergraduate students and to educate them in the food and agricultural sciences, and to attract needed professionals to provide for their professional improvement in the food and agricultural sciences;

(C) design and implement innovative food and agricultural educational programs;

(D) facilitate cooperative agreements between two or more eligible institutions to maximize the use of faculty and facilities to improve their food and agricultural teaching programs;

(E) conduct graduate and postdoctoral fellowship programs to attract highly promising individuals to research or teaching careers in the food and agricultural sciences; and

(F) conduct undergraduate scholarship programs to meet national needs for training food and agricultural scientists and professionals.

(4) A grant under this subsection may be made—

(A) for a period not to exceed five years; and

(B) on a competitive basis or without regard to any requirement for competition.

(5) A college or university receiving a grant under this subsection is required to have a significant demonstrable commitment to higher education teaching programs in the food and agricultural

sciences and to each specific subject area for which the grant is to be used.

(6) The Secretary may set-aside a portion of funds appropriated for the award of grants under this section and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full represenatation of minority groups in the food and agricultural sciences workforce in the United States.

(7) The Secretary may require, as part of any agreement to make a grant under this subsection, that all or part of the grant be targeted to meet the needs identified in section 1402.

(b) Data and Information Services.—The Secretary shall conduct programs to develop, analyze, and provide to colleges and universities data and information that are essential to the evaluation of the quality of current teaching programs and to facilitate the design of more effective programs comprising the food and agricultural sciences higher education system of the United States.

(c) Special Educational Initiatives.—(1) The Secretary shall conduct special programs with colleges and universities, and with organizations in the private sector, to support educational initiatives that will enable food and agricultural scientifics and professionals to remain abreast of changing technology, the expanding knowdelge base, societal, issues, and other factors which impact the skills and competencies needed to maintain the expertise base available to the Nation's agricultural system.

(2) Special programs conducted under this subsection shall include the provision of grants and technical assistance.

(d) Transfer of Funds and Functions.—Funds authorized in section 22 of the Act of June 29, 1935 (7 U.S.C. 329), are transferred to, and shall be administered by, the Secretary of Agriculture. All the functions and duties of the Secretary of Education under such Act which are applicable to the activities and programs for which funds are made available under section 22 of such Act are transferred to the Secretary of Agriculture.

(e) National Food and Agricultural Sciences Teaching Awards.—(1) The Secretary shall establish a program to be known as the National Food and Agricultural Sciences Teaching Awards to recognize and promote the excellence of teachers in the food and agricultural sciences.

(2) The Secretary shall make at least one cash award in each fiscal year to a nominee selected by the Secretary for excellence in teaching a food and agricultural science at a college or university.

(3) The Secretary may transfer funds from amounts appropriated for the conduct of any agricultural research, extension, or teaching program to an account established pursuant to this section for the purpose of making such awards. The Secretary may also accept gifts pursuant to the provisions of the Act of October 10, 1978 (7 U.S.C. 2269) for the purpose of making such awards.

(f) Authorization of Appropriations.—There are authorized to be appropriated for purposes of carrying out this section $50,000,000 for each of the fiscal years 1991 through 1995.

(g) Applicability of Other Laws.—The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel

or board created for the purpose of reviewing applications and proposals submitted under subsection (a) or (c) or nominations for awards submitted under subsection (e).

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[GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS, AND AGRICULTURAL CHEMICALS AND OTHER PRODUCTS FROM COAL DERIVATIVES

[SEC. 1419. (a) The Secretary shall make grants under this subsection to colleges, universities, Government Corporations, and Federal laboratories for the purpose of conducting research related to the production and marketing of (1) coal tar, producer gas, and other coal derivatives for the manufacture of agricultural chemicals, methanol, methyl fuel, and alcohol-blended motor fuel (such agricultural chemicals to include, but not be limited to, fertilizers, herbicides, insecticides, and pesticides), (2) alcohol and other forms of biomass energy as substitutes for petroleum or natural gas, and (3) other industrial hydrocarbons made from agricultural commodities and forest products. The authority to conduct research under paragraph (2) does not include authority to conduct research with respect to technology demonstrations of integrated systems for commercialization of technologies for applications other than agricultural or uniquely rural applications. The Secretary may make grants under this subsection to such colleges, universities, Government corporations, and Federal laboratories for the purpose of conducting research relating to the development of the most economical and commercially feasible means of collecting and transporting wastes, residues, and by-products for use as feedstocks for the production of alcohol and other forms of biomass energy. At least 25 per centum of the amount appropriated in any fiscal year for research under paragraph (2) shall be made available for grants under this subsection for research, relating to the production of alcohol, to identify and develop agricultural commodities, including alfalfa, sweet sorghum, black locust, and cheese whey, which may be suitable for such production. At least 25 per centum of the amount appropriated in any fiscal year for research under paragraph (2) shall be made available for grants under this subsection for research relating to the development of technologies for increasing the energy efficiency and commercial feasibility of alcohol production, including processes of cellulose conversion and cell membrane technology. There are hereby authorized to be appropriated for the purposes of carrying out the provision of the subsection, $3,000,000 for the fiscal year ending September 30, 1978, and such sums as may be necessary for the subsequent fiscal years ending September 30, 1979, September 30, 1980, September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985: *Provided*, That the total amount of such appropriations shall not exceed $40,000,000 during the eight-year period beginning October 1, 1977, and shall not exceed such sums as may be authorized by law for any fiscal year subsequent to such period. *Provided further*, That not more than a total of $5,000,000 may be awarded to the colleges and universities of any one State.

In addition to the authorization or appropriations provided in the proceding sentence, there is authorized to be appropriated for grants to conduct research described in paragraph (2) and in the third sentence of this subsection $12,000,000 for each of the fiscal years ending September 30, 1981; September 30, 1982; September 30, 1983; and September 30, 1984.

[(b) For purposes of subsection (a)—

[(1) the term "biomass" means any organic matter which is available on a renewable basis, including agricultural crops and agricultural wastes and residues, wood and wood wastes and residues, and animal wastes, except that such term does not include aquatic plants and municipal wastes;

[(2) the term "biomass energy" means any gaseous, liquid, or solid fuel produced by conversion of biomass, and energy or steam derived from the direct combustion of biomass for the generation of electricity, mechanical power, or industrial process heat; and

[(3) the term "municipal wastes" means any organic matter, including sewage, sewage sludge, and industrial or commercial waste, and mixtures of such matter and inorganic refuse—

[(i) from any publicly or privately operated municipal waste collection or similar disposal system; or

[(ii) from similar waste flows (other than such flows which constitute agricultural wastes or residues, or wood wastes or residues from wood harvesting activities or production of forest products).]

SEC. 1419. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

(a) AUTHORITY OF SECRETARY.—The Secretary may award grants under this section to colleges, universities, and Federal laboratories for the purpose of conducting research related to—

(1) alcohol fuels, including ethanol and methanol or their ethers;

(2) industrial oilseed crops for diesel fuel and petrochemical substitutes;

(3) other forms of biomass fuels, including gaseous and solid fuels;

(4) other industrial hydrocarbons made from agricultural commodities and forest products; and

(5) the development of the most economical and commercially feasible means of producing, collecting, and transporting agricultural crops, wastes, residues, and byproducts for use as feedstocks for the production of alcohol and other forms of biomass energy and the development of new markets for byproducts.

(b) SET ASIDE OF FUNDS FOR CERTAIN GRANT PROJECTS.—Of the amounts appropriated in any fiscal year pursuant to authorization contained in subsection (c), not less than 50 percent of those amounts shall be made available for grants for research relating to the development of technologies for increasing the energy efficiency and commercial feasibility of alcohol production, including—

(1) processes of cellulose conversion and membrane technology,

(2) research to improve the quality and value of byproducts to increase digestibility and performance of livestock, poultry, and fish, and

(3) development of new markets for byproducts.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out this section $20,000,000 for each of the fiscal year 1991 through 1995.

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Subtitle D—National Food and Human Nutrition Research and Extension Program

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SEC. 1424. JOINT CONTRACT FOR ASSESSMENT OF FOOD SCIENCE AND HUMAN NUTRITION RESEARCH.

The Secretary of Agriculture and the Secretary of Health and Human Services shall jointly contract with a scientific body to conduct an assessment of—

(1) progress food science and human nutrition research;

(2) the practical importance of such research to economic and societal well-being;

(3) priorities for future directions in such research;

(4) the supply of food scientists and nutritionists and the demand for food scientists and nutritionists by Federal agencies, industrial institutions, and colleges, universities, and related institutions; and

(5) recommendations for the role of all Federal agencies supporting basic and applied food and human nutrition research.

NUTRITION EDUCATION PROGRAM

SEC. 1425. (a) * * *

* * * * * * *

(c) Beginning with the fiscal year ending September 30, 1982—

(1) * * *

* * * * * * *

(3) There is authorized to be appropriated for the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914, not more than $63,000,000 for fiscal year 1991, $68,000,000 for fiscal year 1992, $73,000,000 for fiscal year 1993, $78,000,000 for fiscal year 1994, and $83,000,000 for fiscal year 1995.

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Subtitle E—Animal Health and Disease Research

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[AUTHORIZATION TO THE SECRETARY OF AGRICULTURE]

[SEC. 1431.]

SEC. 1431. AUTHORIZATION TO THE SECRETARY OF AGRICULTURE.

(a) AUTHORITY TO COOPERATE WITH, ENCOURAGE, AND ASSIST STATES.—In order to carry out the purpose of this subtitle, the Secretary is hereby authorized to cooperate with, encourage, and assist the States in carrying out programs of animal health and disease research at eligible institutions in the manner hereinafter described in this subtitle.

(b) STUDY OF ANIMAL CARE DELIVERY SYSTEM.—(1) The Secretary shall commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the delivery system utilized to provide farmers and ranchers with animal care and veterinary medical services, including animal drugs.

(2) The study required by this subsection shall assess opportunities to—

(A) improve the flow of information to producers regarding animal husbandry practices, and diagnostic and treatment methods, including the costs and conditions necessary for the effective use of such practices and methods;

(B) foster achievement of food safety goals; and

(C) advance the well-being and treatment of farm animals, with particular emphasis on disease prevention strategies.

(3) The study required by this subsection shall include recommendations for changes in research and extension policies or priorities, food safety programs and policies, and policies and procedures governing the approval, use, and monitoring of animal drugs.

[ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD**]**

[SEC. 1432.**]**

SEC. 1432. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

(a) *ESTABLISHMENT AND MEMBERSHIP.*—The Secretary shall establish a board to be known as the Animal Health Science Research Advisory Board which shall have a term that expires September 30, **[**1990**]** *1995*, and which shall be composed of the following **[**eleven**]** *12* members—

(1) * * *

* * * * * * *

(4) a representative of the **[**Bureau of**]** *Center for* Veterinary Medicine of the Food and Drug Administration of the Department of Health and Human Services, and

(5) **[**seven**]** *eight* members appointed by the Secretary—

(A) two persons representing accredited colleges of veterinary medicine,

(B) two persons representing State agricultural experiment stations, **[**and**]**

(C) one person representing an organization concerned with the general protection and well-being of animals, and

[(C)**]** *(D)* three persons representing national livestock and poultry organizations.

The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

[(b) The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend immediate priorities for the conduct of research programs authorized under this subtitle, under such rules and procedures for conducting business as the Secretary shall, in the Secretary's discretion, prescribe.]

(b) DUTIES.—The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of any animal health and disease research program provided for under this title, under such rules and procedures for conducting business as the Secretary may prescribe.

APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS

SEC. 1433. (a) There are authorized to be appropriated such funds as Congress may determine necessary to support continuing animal health and disease research programs at eligible institutions, but not to exceed $25,000,000 [annually for the period beginning October 1, 1981, and ending September 30, 1990,] *for each of the fiscal years 1991 through 1995,* and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year. Funds appropriated under this section shall be used: (1) to meet expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 39-40, as amended; 7 U.S.C. 331); (2) for administrative planning and direction; and (3) to purchase equipment and supplies necessary for conducting such research.

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APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1434. (a) There are authorized to be appropriated such funds as Congress may determine necessary to support research on specific national or regional animal health or disease problems, but not to exceed $35,000,000 [annually for the period beginning October 1, 1981, and ending September 30, 1990,] *for each of the fiscal years 1991 through 1995,* and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.

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Subtitle G—1890 Land-Grant College Funding

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SEC. 1445A. RESIDENT INSTRUCTION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University (hereinafter in this section referred to as "eligible institutions") by formulating and administering programs to enhance teaching program in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary shall make competitive grants, or grants without regard to any requirement for competition, to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need in the food and agricultural sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between institutions and units of State government, or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teachings programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) GRANT REQUIREMENTS.—(1) The Secretary shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402.

(e) MINORITY SET ASIDE.—The Secretary may set aside a portion of the funds appropriated for grants under this section and make such amounts available only for grants to eligible institutions that the Secretary determines have unique capabilities for achieving the objective or full representation of minority groups that are underrepresented in the Nation's food and agricultural sciences work force.

(f) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated $11,000,000 for each of the fiscal years 1991 through 1995 to carry out this section.

SEC. 1445B. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) PURPOSE.—It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the Act of August 30, 1890, including Tuskegee University (hereafter referred to in this section as "eligible institutions") in the acquisition and improvement of agricultural and food sciences facilities and equipment, including libraries, so that the eligible institutions may participate fully in the production of human capital.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Agriculture for the purposes of carrying out the provisions of this section $8,000,000 for each of the fiscal years 1991 through 1995, and such sums shall remain available until expended.

(c) USE OF GRANT FUNDS.—Four percent of the sums appropriated pursuant to this section shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to eligible institutions for the purpose of assisting them in the purchase of equipment and land, the planning, construction, alteration, or renovation of buildings to strengthen their capacity in the production of human capital in the food and agricultural sciences and can be used at the discretion of the eligible institutions in the areas of research, extension, and resident instruction or any combination thereof.

(d) METHOD OF AWARDING GRANTS.—Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

(e) PROHIBITION OF CERTAIN USES.—Federal funds provided under this section may not be utilized for the payment of any overhead costs of the eligible institutions.

(f) REGULATIONS.—The Secretary may promulgate such rules and regulations as the Secretary may consider necessary to carry out the provisions of this section.

SEC. 1445C. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.

(a) COMPETITIVE GRANTS AUTHORIZED.—The Secretary of Agriculture may make a competitive grant to five national research and training centennial centers located at colleges (or a consortia of such colleges) eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, that—

(1) have been designated by the Secretary for the fiscal years 1991 through 1995 as national research and training centennial centers; and

(2) have the best demonstrable capacity, as determined by the Secretary, to provide administrative leadership as—

(A) a National Center for Goat Research and Training;

(B) a National Center for Agricultural Engineering Development, Research, and Training;

(C) a National Center for Water Quality and Agricultural Production Research and Training;

(D) a National Center for Sustainable Agriculture Research and Training; and

(E) a National Center for Domestic and International Trade and Development Research and Training.

(b) USE OF GRANTS.—A grant made under subsection (a) may be expended by a center to—

(1) pay expenses incurred in conducting research for which the center was designated;

(2) print and disseminate the results of such research;

(3) plan, administer, and direct such research; and

(4) alter or repair buildings necessary to conduct such research.

(c) PRIORITY.—In making a grant determination under subsection (a), the Secretary shall give priority to those centers that—

(1) will assure dissemination of information between eligible institutions described in subsection (a) and among agricultural producers; and

(2) will attract students and needed professionals in the food and agricultural sciences.

(d) PAYMENTS.—(1) Under the terms of a grant made under subsection (a), funds appropriated under subsection (f) for a fiscal year shall be paid (upon vouchers approved by the Secretary) to a center receiving the grant in equal quarterly installments beginning on or about the first day of October of such year.

(2) Not later than 60 days after the end of each fiscal year for which funds are paid under this section to a center, the research director of such center shall submit to the Secretary a detailed statement of the disbursements in such fiscal year of funds received by such center under this section.

(3) If any of the funds received by a center under this section are misapplied, lost, or diminished by any action or contingency on the part of the center—

(A) the center shall replace such funds; and

(B) the Secretary shall not distribute to such center any other funds under this subsection until such funds are replaced.

(e) APPLICATION OF OTHER LAWS.—Section 1445(e) of this title shall apply with regard to research and experiments funded under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for each of the fiscal years 1991 through 1995 for grants under this section.

(g) CENTER DEFINED.—For purposes of this section, the term "center" means a national research and training centennial center that receives a grant under this subsection.

(h) COORDINATION OF CENTER ACTIVITIES.—(1) The center designated under subsection (a)(2)(C) shall coordinate its activities with the water quality research activities conducted under subtitle I of title XIII of the Food and Agricultural Resources Act of 1990.

(2) The center designated under subsection (a)(2)(D) shall coordinate its activities with the substainable agriculture research and education program established under subtitle B of title XIII of the Food and Agricultural Resources Act of 1990.

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Subtitle I—International Agricultural Research and Extension

SEC. 1458. INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION.

[SEC. 1458.**]** (a) *AUTHORITY OF THE SECRETARY.*—The Secretary, subject to such coordination with other Federal officials, departments, and agencies as the President may direct, is authorized to—

(1) * * *

(2) **[**assist**]** *expand collaboration and coordination with* the Agency for International Development **[**with food, agricultural, research and extension**]** *regarding food and agricultural research, extension, and education* programs in developing countries;

* * * * * * *

(4) assist United States colleges and universities in strengthening their capabilities for food, agricultural, and related research and extension relevant to agricultural development activities in other countries **[**through the development of highly qualified scientists and specilization in international development; and**]** *through—*

(A) the development of highly qualified scientists with specialization in international development;

(B) the provision of support to State universities and land-grant colleges to do collaborative research with other countries on issues relevant to United States agricultural competitiveness;

(C) the provision of support for cooperative extension education in agriculture and to promote the application of new technology developed abroad to United States agriculture; and

(D) the provision of support for the internationalization of resident instruction programs of State universities and land-grant colleges;

(5) further develop within the Department of Agriculture highly qualified and experienced scientists who specialize in international programs, to be available for the activities described in this section**[**.**]***;*

(6) establish in coordination with the International Arid Land Consortium, a program to enhance collaboration and cooperation between institutions possessing research capabilities applied to the development, management, and reclamation of arid lands; and

(7) cooperate with nongovernmental organizations, both domestic and foreign, for the purpose of expanding the agricultural economic base of middle income and developing countries.

(b) *ENHANCING LINKAGES.*—The Secretary shall draw upon and enhance the resources of the land-grant colleges and universities, and other colleges and universities, for developing linkages among these institutions, the Federal Government, international research centers, and counterpart agencies and institutions in both the developed and less-developed countries to serve the purposes of agriculture and the economy of the United States and to make a substantial contribution to the cause of improved food and agricultural progress throughout the world.

(c) PROVISION OF SPECIALIZED OR TECHNICAL SERVICES.—The Secretary may provide specialized or technical services, on an advance of funds or a reimbursable basis, to United States colleges and universities *and other nongovernmental organizations, both domestic and foreign,* carrying out international food, agricultural, and related research, extension, and teaching development projects and activities. All funds received in payment for furnishing such specialized or technical services shall be deposited to the credit of the appropriation from which the cost of providing such services has been paid or is to be charged.

(d) LIMITATION ON ACTIVITIES.—No activities under this section may promote the production for export of agricultural commodities (or the products thereof) that will compete, as determined by the Secretary, in world markets with similar agricultural commodities (or the products thereof) produced in the United States, where such competition will cause substantial injury to United States producers.

[GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS]

SEC. 1458A. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.

[SEC. 1458A.] (a) *GRANT PROGRAM.*—The Secretary shall establish and carry out a program to make grants to States *(or regional groupings of States)* for the establishment and operation of international trade development centers, or the expansion of existing international trade development centers, in the United States to enhance the exportation of agricultural products and related products. Such grants shall be based on a matching formula of 50 per centum Federal and 50 per centum State *or regional* funding (including funds received by the State *or region* from private sources and from units of local government).

(b) LOCATION AND FUNDING OF CERTAIN CENTERS.—The Secretary shall make determinations regarding the location and funding of international trade development centers established after the date of the enactment of this subsection based on a national plan for agricultural export promotion through international trade development centers. Grants under this section shall be made available on a competitive basis in accordance with such plan.

[(b)] *(c) PREFERENCES.*—In making grants under subsection (a), the Secretary shall, *consistent with the plan developed under subsection (b),* give preference to States *(or regional groupings of States)* that intend to use, as sites for international trade development centers, land-grant colleges and universities (as defined in section 1404(10) of this Act) that—

(1) operate agricultural programs;

(2) have existing international trade programs that use an interdisciplinary approach and are operated jointly with State and Federal agencies to address international trade problems; and

(3) have an effective and progressive communications system that might be linked on an international basis to conduct conferences or trade negotiations.

[(c)] *(d)* *ACTIVITIES OF CENTERS.*—Such centers may—

(1) through research, establish a permanent data base to address the problems faced by potential exporters, including language barriers, interaction with representatives of foreign governments, transportation of goods and products, insurance and financing within foreign countries, and collecting international marketing data;

(2) be used to house permanent or temporary exhibits that will stimulate and educate trade delegations from foreign nations with respect to agricultural products and related products produced in the United States and be made available for use by State and regional entities for exhibits, trade seminars, and negotiations involving such products; and

(3) carry out such other activities relating to the exportation of agricultural products and related products as the Secretary may approve.

[(d)] *(e)* *AUTHORIZATION OF APPROPRIATIONS.*—There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section.

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Subtitle K—Funding and Miscellaneous Provisions

AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS

SEC. 1463. (a) Nothwithstanding any authorization for appropriations for agricultural research in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the provisions of this title, except subtitle H and sections 1416, 1417, 1419, 1420, and the competitive grants program provided for in section 1414, and except that the authorization for moneys provided under the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i), is excluded and is provided for in subsection (b) of this section, [$600,000,000 for the fiscal year ending September 30, 1986, $610,000,000 for the fiscal year ending September 30, 1987, $620,000,000 for the fiscal year ending September 30, 1988, $630,000,000 for the fiscal year ending September 30, 1989, and $640,000,000 for the fiscal year ending September 30, 1990.] *$850,000,000 for each of the fiscal years 1991 through 1995.*

(b) Notwithstanding any authorization for appropriations for agricultural research at State agricultural experiment stations in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purpose of conducting agricultural research at State agrticultural experiment stations pursuant to the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361i), [$270,000,000 for the fiscal year ending September 30, 1986, $280,000,000 for the fiscal year ending September 30, 1987, $290,000,000 for the fiscal year ending September 30, 1988, $300,000,000 for the fiscal year ending September 30, 1989, and $310,000,000 for the fiscal year ending September 30, 1990.] *$310,000,000 for each of the fiscal years 1991 through 1995.*

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[AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION EDUCATION]

SEC. 1464. AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION EDUCATION AND THE ESTABLISHMENT OF A PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

[SEC. 1464.] *(a) AUTHORIZATION FOR APPROPRIATIONS.*—Notwithstanding any authorization for appropriations for the Cooperative Extension Service in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated for the purposes of carrying out the extension programs of the Department of Agriculture [$370,000,000 for the fiscal year ending September 30, 1986, $380,000,000 for the fiscal year ending September 30, 1987, $390,000,000 for the fiscal year ending September 30, 1988, $400,000,000 for the fiscal year ending September 30, 1989, and $420,000,000 for the fiscal year ending September 30, 1990.] *$420,000,000 for each of the fiscal years 1991 through 1995.*

(b) PILOT PROJECT.—The Secretary shall establish a five-year pilot project to make available grants to not more than two States, on a competitive basis, for the purpose of implementing in such States, a plan that—

(1) provides for the full coordination of the conceptual design and program delivery of food and nutrition education programs for potential participants within the State; and

(2) provides to the greatest extent possible for the coordination of such food and nutrition education programs with related State programs.

(c) ELEMENTS OF THE PROJECT.—In carrying out subsection (b), the Secretary shall—

(1) provide for enhanced intraagency and interagency coordination in the design and delivery of food and nutrition education programs;

(2) develop more efficient methods, and improved agency organization, to inform the public and persons eligible for food and nutrition programs about such education programs (including those education programs regarding nutrition and management of family resources for better nutrition and health) and nutrition education programs available at the Federal, State, and local level; and

(3) provide for an evaluation of the degree to which stated program coordination objectives are being attained, the impact on actual behavioral change of program participants, and the implication of the program outcomes for future public health, budget expenditures, and the general public welfare.

(d) DEFINITIONS.—For the purpose of subsections (b) and (c):

(1) The term "coordination" means the development and implementation of a consistent and coherent program of nutrition education regarding the receipt and increased beneficial use of the resources made available to persons for food and nutrition

programs and, to the extent possible, related State and local food and nutrition programs.

(2) The term "food and nutrition education programs" includes any educational programs or components of the food stamp program, the expanded food and nutrition education program, and such other programs administered by the Department of Agriculture as the Secretary determines necessary to effectively implement the programs required under subsection (b).

(e) FUNDING.—The Secretary shall make available one-half of one percent of the funds appropriated under this section for each of the fiscal years 1991 through 1995 for the purpose of implementing the pilot project established under subsection (b).

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SUPPLEMENTAL AND ALTERNATIVE CROPS

SEC. 1473D. (a) Notwithstanding any other provision of law, during the period beginning October 1, 1986, and ending September 30, [1990,] *1995,* the Secretary shall develop and implement a research and pilot project program for the development of supplemental and alternative crops, using such funds as are appropriated to the Secretary each fiscal year under this title.

* * * * * * *

AQUACULTURE ASSISTANCE PROGRAMS

SEC. 1475. (a) *RESEARCH AND EXTENSION PROGRAM.*—The Secretary may develop and implement a cooperative research and extension program to encourage the development, management, and production of important aquatic food species within the several States and territories of the [United States,] *United States and to enhance further the safety of food products derived from the aquaculture industry,* in accordance with the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.

(b) *GRANTS.*—The Secretary may make grants to—

(1) land-grant colleges and universities;

(2) State agricultural experiment stations;

(3) colleges, universities, and Federal laboratories having a demonstrable capacity to conduct aquacultural research, as determined by the Secretary; and

(4) nonprofit private research institutions;

for research and extension to facilitate or expand promising advances in the production and marketing of aquacultural food species and products[.] *and to enhance further the safety and wholesomeness of those species and products, including the development of reliable supplies of seed stock and therapeutic compounds.* Except in the case of Federal laboratories, no grant may be made under this subsection unless the State in which the grant recipient is located makes a matching grant (of which amount an in-kind contribution may not exceed 50 percent) to such recipient equal to the amount of the grant to be made under this subsection, and unless the grant is in implementation of the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.

(c) *Aquaculture Development Plans.*—The Secretary may assist States to formulate aquaculture development plans for the enhancement of the production and marketing of aquacultural species and products from such States and may make grants to States on a matching basis, as determined by the Secretary. The aggregate amount of the grants made to any one State under this subsection may not exceed $50,000. The plans shall be consistent with the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.

(d) *Aquacultural Centers.*—To provide for aquacultural research, development, and demonstration projects having a national or regional application, the Secretary may establish in exisiting Federal facilities or in cooperation with any of the non-Federal entities specified in subsection (b) up to [four] *six* aquacultural research, development, and demonstration centers in the United States for the performance of aquacultural research, extension work, and demonstration projects. *Research at one of the centers established under this subsection shall be devoted primarily to the development of closed-system production of fish and seafood.* Funds made available for the operation of such regional centers may be used for the rehabilitation of existing buildings or facilities to house such centers, but may not be used for the construction of acquisition of new buildings or facilities. To the extent practicable, the aquaculture research, development, and demonstration centers established under this subsection shall be geographically located so that they are representative of the regional aquaculture opportunities in the United States. *To the extent practicable, the Secretary shall ensure that equitable efforts are made at these centers in addressing the research needs of those segments of the domestic aquaculture industry located within that region.*

(e) [Not later than one year after the effective date of this subtitle and not later than March 1 of each subsequent year,] *Reports.—(1) Not later than March 1 of each year,* the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Merchant Marine and Fisheries, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations, containing a summary outlining the progress of the Department of Agriculture in meeting the purposes of the programs established under this subtitle.

(2) The Secretary shall conduct a study to assess the economic impact of animal damage to the United States aquaculture industry. In conducting such study, the Secretary shall provide for the consideration of all types of animal damage, including predation, that have an impact on aquaculture enterprises, including fish farming. The Secretary shall submit a report detailing the results of such study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than January 1, 1992.

(f) Listing of Laws on Aquaculture.—The Secretary shall, in consultation with appropriate Federal and State agencies, compile a listing of Federal and State laws, rules, and regulations materially

affecting the production, processing, marketing, and transportation of aquaculturally produced commodities and the products thereof. The Secretary shall make such listing available to the public not later than January 1, 1992, and shall update and revise such listing not later than January 1, 1996, to show such laws, rules, and regulations as in effect on that date.

SEC. 1476. AQUACULTURE RESEARCH FACILITY.

(a) GRANT AUTHORIZED.—In order to gain further knowledge of intensive water recirculating aquaculture systems, the Secretary may make a grant for the purpose of further developing and expanding an aquaculture research facility located at Illinois State University in Normal, Illinois, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized, in the event the Secretary decides to take action under subsection (a), to be appropriated $480,000 for fiscal years 1991 through 1995 to carry out this section.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1477. There is authorized to be appropriated $7,500,000 for [each fiscal year beginning after the effective date of this subtitle, and ending with the fiscal year ending September 30, 1990.] *each of the fiscal years 1991 through 1995.*

Subtitle M—Rangeland Research

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RANGELAND RESEARCH ADVISORY BOARD

SEC. 1482. (a) The Secretary shall establish a board to be known as the Rangeland Research Advisory Board which shall have a term that expires September 30, [1990,] *1995,* and which shall be composed of the following twelve members appointed by the Secretary:

(1) four representatives of agencies of the Department of Agriculture which have significant research, extension, or teaching responsibilities;

(2) four representatives of the State agricultural experiment stations; and

(3) four representatives of national rangeland and range livestock organizations.

The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United State Code.

* * * * * * *

APPROPRIATIONS

SEC. 1483. (a) There are authorized to be appropriated, to implement the provisions of this subtitle, such sums not to exceed $10,000,000 [annually for the period beginning October 1, 1981, and ending September 30, 1990.] *for each of the fiscal years 1991 through 1995.*

* * * * * * *

SECTION 1432 OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1981

AGRICULTURE RESEARCH IN 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1432. (a) * * *

(b)(1) * * *

* * * * * * *

(5) There is authorized to be appropriated to the Secretary to carry out this subsection, for each of the fiscal years [ending September 30, 1986, through September 30, 1990,] *1991 through 1995,* an amount equal to one per centum of the aggregate amount of funds appropriated under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) in the fiscal year preceding the fiscal year for which funds are authorized to be appropriated under this paragraph.

SECTION 10 OF THE NATIONAL AQUACULTURE ACT OF 1980

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 10. For purposes of carrying out the provisions of this Act, there are authorized to be appropriated—

[(1) to the Department of Agriculture, $2,000,000 for each of fiscal years 1984 and 1985, and $1,000,000 for each of fiscal years 1986, 1987, and 1988;

[(2) to the Department of Commerce, $2,000,000 for each of fiscal years 1984 and 1985, and $1,000,000 for each of fiscal years 1986, 1987, and 1988; and

[(3) to the Department of the Interior, $1,000,000 for each of fiscal years 1984 and 1985, and $1,000,000 for each of fiscal years 1986, 1987, and 1988.]

(1) to the Department of Agriculture, $1,000,000 for each of fiscal years 1991, 1992, and 1993;

(2) to the Department of Commerce, $1,000,000 for each of fiscal years 1991, 1992, and 1993;

(3) to the Department of Interior, $1,000,000 for each of fiscal years 1991, 1992, and 1993.

Funds authorized by this section shall be in addition to, and not in lieu of, funds authorized by any other Act.

ACT OF AUGUST 4, 1965

AN ACT To facilitate the work of the Department of Agriculture, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

* * * * * * *

SEC. 2. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

[Sec. 2.**]** (a) *ESTABLISHMENT OF GRANT PROGRAM.*—In order to promote research in food, agriculture, and related areas, a research grants program is hereby established in the Department of Agriculture.

(b) *COMPETITIVE GRANTS.—(1)* The Secretary of Agriculture is authorized to make competitive grants**[**, for periods not to exceed five years,**]** to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals, for research to further the programs of the Department of Agriculture. **[**To the greatest extent possible the Secretary shall allocate these grants to high priority research taking into consideration, when available, the determinations made by the Joint Council on Food and Agricultural Sciences and the National Agricultural Research and Extension Users Advisory Board identifying high priority research areas. For purposes of the preceding sentence, high priority research shall include—

[(1) basic research aimed at the discovery of new scientific principles and techniques that may be applicable in agriculture and forestry;

[(2) research, with emphasis on biotechnology, aimed at the development of new and innovative products, methods, and technologies relating to biological nitrogen fixation, photosynthesis, an dother processes which will improve and increase the production of agricultural and forestry resources;

[(3) basic and applied research in the fields of animal productivity and health;

[(4) basic and applied research in the fields of soil and water;

[(5) basic and applied research in the field of human nutrition;

[(6) research to develop new strains of crops and new promising crops, including guayule, jojoba, and others;

[(7) research to reduce farm input costs through the collection of national and international data and the transfer of appropriate technology relating to sustainable agricultural systems, soil, energy, and water conservation technologies, rural and farm resource management, and the diversification of farm product processing and marketing systems; and

[(8) research to develop new and alternative industrial uses for agricultural crops.**]**

(2) The Secretary shall allocate grants made under this subsection to high priority research taking into account the recommendations made by the advisory board established under paragraph (5). For

the purposes of this subsection, the term "high priority research" means basic and applied research in the following areas:

(A) Plant systems, including research regarding plant genome structure and function; molecular and cellular genetics and plant and microbial biotechnology; plant-pest interactions and biocontrol systems; cover cropping, crop rotation, soil building techniques, crop varietal development, crop diversification, and integrated crop and livestock systems; crop plant response to environmental stresses; improved nutrient qualities of plant products; new food, feed, fiber, and industrial uses of plant products; and development of new crops, best management practices, integrated crop management, and other cropping systems.

(B) Animal systems, including research regarding cellular, molecular, physiological, and behavioral basis of animal reproduction, growth disease, and health; identification of genes responsible for improved production traits and resistance to disease, improved nutritional performance of animals; improved nutrient qualities and safety of animal products and development of new animal products; enhanced animal production practices and technologies; animal husbandry and well-being; and animal systems applicable to aquaculture.

(C) Nutrition, food quality, and health and welfare, including research regarding microbial contaminants and toxic contaminants and residues related to human health; production and processing facilities and systems to address the health and safety of food and farm workers and livestock; the production of nutritional feedstuffs; links between diet and health, including the nutritional status of the population, especially critical subpopulations; nutrition education; rural family welfare; bioavailability of nutrients; postharvest physiology and practices; and improved processing technologies.

(D) Natural resources and the environment, including research regarding fundamental structures and functions of ecosystems; biological and physical bases of integrated production systems; minimizing soil losses and degradation, maintaining surface and ground water quality, and maximizing water availability through conservation; soil tilth development, management systems to utilize scarce soil moisture, drought tolerant plant development, evaporation reduction systems, and crop practices to foster soil water absorption and retention; forest and range management and productivity; and weather and climatic effects on agriculture.

(E) Engineering, products, and processes, including research regarding new uses and new products from crops, animals, byproducts, waste products and natural resources; robotics, computing, and expert systems; energy efficiency, conservation, and the development of alternative, renewable energy sources; new hazard and risk assessment and mitigation measures; and natural resource and environmental quality and management.

(F) Markets, trade, and agricultural policy, including research regarding optimal strategies for entering and competing in domestic and overseas markets; new decision tools for onfarm and in-market systems; choices and applications of technology; new approaches to economic development and viability

in the rural United States, with emphasis on family farming operations; the development of domestic and international markets for resource-conserving and organic crops; international cooperation in agricultural research, extension, and teaching; and agricultural and nutritional improvements in developing nations.

(3) Grants under this subsection shall be awarded in a variety of types, including the following:

(A) Single and coinvestigator grants for a single investigator, or coinvestigators, for up to five years with the possibility of one renewal after that period.

(B) Interdisciplinary team grants for interdisciplinary teams for up to five years with the possibility of one renewal after that period.

(C) Systems research grants for research teams, including extension staff and producers where appropriate, examining integrated systems approaches to research for up to seven years with the possibility of renewal for up to three years.

(D) New investigator grants for newly trained researchers, shall be made under the guidelines of paragraphs (1), (2), and (3), except that principal investigators shall be enrolled in a relevant degree program or have completed research training less than five years before the time of the grant application.

(E) Equipment grants to obtain scientific equipment for research groups or institutions, where funds are not available by other means, which is necessary to the conduct of needed research.

(F) Institution development grants to assist smaller research institutions in developing their capacity for research and education related to the relevant priority areas, for up to five years with the expectation that the institution will find alternative funding after that period.

(4) The Secretary shall appoint a director for the grant program authorized by this subsection. The Secretary, acting through the director, shall be responsible for the overall direction of the grant program and implementation of general policies respecting the management and operation of programs and activities in the program.

(5) The Secretary shall appoint a board to provide advice on the policies, priorities, and operations of the grant program carried out under this subsection. The advisory board shall be composed of 9 individuals appointed as follows:

(A) Two-thirds of the members shall be appointed from among the leading representatives of the scientific disciplines relevant to the food and agricultural sciences, including agricultural sciences, biological sciences, environmental sciences, natural resource sciences, health sciences, and nutritional sciences.

(B) One-third of the members shall be appointed from the general public and shall include leaders in fields of public policy, agricultural policy, international agriculture, and agricultural production, processing, or marketing.

(6) The Secretary shall transmit to Congress an annual report describing the policies, priorities, and operations of the grant program

authorized by this subsection during the preceding fiscal year. The report shall—

(A) be prepared by the board established under paragraph (5);

(B) include a description of the progress being made to comply with subsection (j); and

(C) be transmitted not later than January 1 of each year.

(7) In seeking research proposals and in performing peer review evaluations of such proposals under this subsection, the Secretary shall seek the widest participation of qualified scientists in the Federal Government, all colleges and universities, State agricultural experiment stations, and the private sector. [No grant]

(8) Except for grants made under paragraph (3)(E), no grant may be made under this subsection for any purpose for which a grant may be made under subsection (d) or for the planning, repair, rehabilitation, acquisition, or construction of a building or a facility. The research grants shall be made without regard to matching funds by the recipient or recipients of such grants. [There are authorized to be appropriated, for the purpose of carrying out this subsection, $70,000,000 for each of the fiscal years ending September 30, 1986, through September 30, 1990. Four percent of the amount appropriated for each of such fiscal years to carry out this subsection may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out this subsection.]

(9) There are authorized to be appropriated to carry out this subsection $500,000,000 for each of the fiscal years 1991 through 1995. Of the amounts appropriated to carry out this subsection for a fiscal year—

(A) not more than two percent may be used to make equipment grants under paragraph (3)(E); and

(B) not more than four percent may be used by the Secretary to pay administrative costs incurred by the Secretary to carry out this subsection.

(c) *SPECIAL GRANTS.*—The Secretary of Agriculture is authorized to make grants, for periods not to exceed five years in duration—

(1) [to land-grant colleges and universities, research foundations established by land-grant colleges and universities, State agricultural experiment stations, and to all colleges and universities having a demonstrable capacity in food and agricultural research, as determined by the Secretary] *to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals* to carry out research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the Nation; and

* * * * * * *

(d) *FACILITIES GRANTS.*—The Secretary of Agriculture shall make annual grants to support the renovation and refurbishment (including energy retrofitting) of research spaces in buildings or spaces to be used for research, and the purchase and installation of fixed equipment in such spaces. Such grants may be used for new construction only for auxiliary facilities and fixed equipment used for research in such facilities, such as greenhouses, insectaries, and research farm structures and installations. Such grants shall be made to

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(e) *Record Keeping.*—Each recipient of assistance under this section shall keep such records as the Secretary of Agriculture shall, by regulation, prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grants, the total cost of the project or undertaking in connection with which such funds are given or used, and the amount of that portion of the costs of the project or undertaking in connection with which such funds are given or used, and the amount of that portion of the costs of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. The Secretary of Agriculture and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this section.

(f) *Limits on Overhead Costs.*—The Secretary of Agriculture shall limit allowable overhead costs, with respect to grants awarded under this section, to those necessary to carry out the purposes of the grants.

(g) *Authorization of Appropriations.*—Except as otherwise provided in subsection (b) of this section, there are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this secction.

(h) *Rules.*—The Secretary of Agriculture is authorized to issue such rules and regulations as the Secretary deems necessary to carry out the provisions of this section.

(i) *Application of Other Laws.*—The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications or proposals submitted under this section.

(j) Emphasis on Sustainable Agriculture.—The Secretary of Agriculture shall ensure that grants made under subsections (b) and (c) are, where appropriate, consistent with the development of systems of sustainable agriculture. For purposes of this section, the term "sustainable agriculture" has the meaning given that term in section 1404(17) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(17)).

(k) Reports.—The Secretary of Agriculture shall prepare and submit to Congress on January 1 of each year a report on awards made under subsections (b) and (c) during the previous fiscal year.

Section 4 of the Act of May 8, 1914

Chap. 79.—AN ACT To provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of an Act of Congress approved July second, eighteen hundred and sixty-two, and of Acts supplementary thereto, and the United States Department of Agriculture

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SEC. 4. On or about the first day of October in each year after the passage of this Act, the Secretary of Agriculture shall ascertain as to each State whether it is entitled to receive its share of the annual appropriation for cooperative agricultural extension work under this Act and the amount which it is entitled to receive. Before the funds herein provided shall become available to any college for any fiscal year, plans for the work to be carried on under this Act shall be submitted by the proper officials of each college and approved by the Secretary of Agriculture. *The Secretary shall ensure that each college seeking to receive funds under this Act has in place appropriate requirements, as determined by the Secretary, to minimize actual or potential conflicts of interest among employees of such college whose salaries are funded in whole or in part with such funds.* Such sums shall be paid in equal quarterly payments in or about July, October, January, and April of each year to the treasurer or other officer of the State duly authorized by the laws of the State to receive the same, and such officer shall be required to report to the Secretary of Agriculture on or about the first day of April of each year, a detailed statement of the amount so received during the previous fiscal year and its disbursement, on forms prescribed by the Secretary of Agriculture.

RURAL DEVELOPMENT ACT OF 1972

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TITLE V—RURAL DEVELOPMENT AND SMALL FARM RESEARCH AND EDUCATION

* * * * * * *

SEC. 502. PROGRAMS AUTHORIZED.—The Secretary of Agriculture may conduct, in cooperation and coordination with colleges and universities, the following programs to carry out the purposes and achieve the goals of this title.

(a) * * *

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(f) [SPECIAL] *COMPETITIVE* GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.—

(1) GRANT PROGRAM.—

(A) PROGRAM BENEFICIARIES.—The Secretary shall provide [special grants for programs to develop educational, retraining, and counseling] *competitive grants for programs that meet the criteria specified in subparagraph (B) to develop counseling, retraining, and educational* assistance for farmers, dislocated farmers, and rural families, who have been adversely affected by the current farm and rural economic crisis.

[(B) SERVICES TO BE PROVIDED.—Such programs shall provide the following services:

[(i) Clinical outreach counseling and crisis management assistance through appropriate State officials.]

(B) GRANT CRITERIA.—In order to be eligible to receive a grant under this subsection, an applicant must provide suitable assurances that—

(i) not less than one-half of the grant funds to the applicant will be used for clinical outreach counseling and crisis management assistance, as required by subparagraph (C);

(ii) a significant number of farms within the State have a ratio of debts to assets of 40 percent or more, the State's rural economy has been facing adverse economic conditions for a period of years, or such other conditions exist, as determined by the Secretary, such that the assistance provided under this subsection is necessary or appropriate;

(iii) the planning and implementation of the provision of services under this subsection will be coordinated with the appropriate State agency for mental health, department of health, office of rural health, and any other State agency or department responsible for assisting persons in rural areas of the State; and

(iv) the planning and implementation of the provisions of services under this subsection will be coordinated with the appropriate local governments and other public and private nonprofit agencies and organizations located in rural areas and involved in addressing problems related to the mental health of rural residents.

(C) COUNSELING AND OUTREACH REQUIRED.—Not less than 50 percent of the grant funds to a State under this subsection shall be used to provide clinical outreach counseling and crisis management assistance through appropriate State officials.

(D) OTHER SERVICES TO BE PROVIDED.—In addition to the counseling and outreach services required under subparagraph (C), the following services may also be provided through programs funded under this section:

[(ii)**]** *(i)* Assistance in evaluating individual or family finances, preparing financial plans, and implementing financial plans and management strategies.

[(iii)**]** *(ii)* Evaluation of vocational skills and counseling in enhancing such skills.

[(iv)**]** *(iii)* Assistance in obtaining training in basic, remedial, and literacy skills.

[(v)**]** *(iv)* Assistance in job search and training in job-seeking skills.

[(vi)**]** *(v)* Assistance in obtaining training for operating a business or enterprise.

[(vii)**]** *(vi)* Formal on-the-job training to the extent practicable.

[(viii)**]** *(vii)* Tuition assistance (including fees, books, and other educational expenses) to the extent practicable.

(viii) Assistance for local officials and groups in developing income and employment alternatives.

[(C)] *(E)* AUTHORITY OF GRANT RECIPIENTS TO CONTRACT FOR DELIVERY OF SERVICES.—The recipients of a grant under this subsection may contract for the delivery of such services with units of local government, State agencies, accredited educational institutions, and other appropriate public and private nonprofit agencies and organizations.

[(D)] *(F)* DEVELOPMENT OF COMPREHENSIVE PLAN.—The Agricultural Extension Service of the Department of Agriculture [is encouraged to work with] *shall work with the appropriate State office of rural health, State department or agency of mental health, and other* State agencies, units of local government, and other public and private nonprofit agencies and organizations in developing [a comprehensive plan] *an annual comprehensive plan* for the use of the [special] grant funds and the delivery of services provided for in this subsection.

For recipients in a State to be eligible for a grant under this subsection in any fiscal year, the Cooperative Extension Service within the State must develop and sign a Memorandum of Agreement with the appropriate State department or agency of mental health and other State agencies as may be appropriate to carry out the comprehensive plan. Such agreement and plan must emphasize the development and delivery of counseling and outreach programs as provided under subparagraph (B).

(2) GRANT PERIOD.—Grants may be made under paragraph (1) *to eligible applicants in any State applying for such grants* during the period beginning on the date of the enactment of this Act and ending on December 23, [1990] *1995.*

SEC. 503. APPROPRIATION AND ALLOCATION OF FUNDS.—(a) * * *

* * * * * * *

(c) *ADDITIONAL DISTRIBUTIONS.*—(1) Such sums as are appropriated to carry out the provisions of section 502(e) [and section 502(f)] of this title shall be distributed by the Secretary to colleges and universities, on a competitive or matching fund basis, according to the Secretary's determination of the projects and manner of funding that show the most promise of fulfilling the objectives of section 502(e) [and section 502(f)] of this title.

(2) Such sums as are appropriated to carry out the provisions of section 502(f) of this title shall be distributed by the Secretary to colleges and universities in accordance with the requirements of such subsection.

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NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1985

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TITLE XIV—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

* * * * * * *

[Subtitle C—Agricultural Productivity Research

[DEFINITIONS

[SEC. 1461. For purposes of this subtitle:

[(1) The term "extension" shall have the same meaning given to such term by section 1404(7) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

[(2) The term "Secretary" means the Secretary of Agriculture.

[(3) The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

[(4) The term "State agricultural experiment stations" shall have the meaning given to such term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101(13)).

[FINDINGS

[SEC. 1462. Congress finds that—

[(1) highly productive and efficient agricultural systems and sound conservation practices are essential to ensure there long-term agricultural viability and profitability of farms and ranches in the United States;

[(2) agricultural research and technology transfer activities of the Secretary (including activities of the Extension Service, the Agricultural Research Service, and the Cooperative State Research Service, and the Cooperative State Research Service), State cooperative extension services, land-grant and other colleges and universities, and State agricultural experiment stations—

[(A) have contributed greatly to innovation in agriculture; and

[(B) have a continuing role to play in improving agricultural productivity;

[(3) the annual irretrievable loss of billions of tons of precious topsoil through wind and water erosion reduces agricultural productivity;

[(4) many farmers and ranchers are highly dependent on machines and energy resources for agricultural production;

[(5) public funding of a properly planned and balanced agricultural research program is essential to improving efficiency in agricultural production and conservation practices; and

[(6) expanded agricultural research and extension efforts are needed to assist farmers and ranchers to—

[(A) improve agricultural productivity; and

[(B) implement soil, water, and energy conservation practices.

[PURPOSES

[SEC. 1463. It is the purpose of this subtitle to—

[(1) facilitate and promote scientific investigation in order to—

[(A) enhance agricultural productivity;

[(B) maintain the productivity of land;

[(C) reduce soil erosion and loss of water and plant nutrients; and

[(D) conserve energy and natural resources; and

[(2) facilitate the conduct of research projects in order to study agricultural production systems that—

[(A) are located, to the extent practicable, in areas that possess various soil, climatic, and physical characteristics;

[(B) have been, and will continue to be, managed using farm production practices that rely on—

[(i) items purchased for the production of an agricultural commodity; and

[(ii) a variety of conservation practices; and

[(C) are subjected to a change form the practices described in subparagraph (B)(i) to the practices described in subparagraph (B)(ii).

[INFORMATION STUDY

[SEC. 1464. (a) Subject to section 1468, the Secretary shall inventory and classify by subject matter all studies, reports, and other materials developed by any person or governmental agency with the participation or financial assistance of the Secretary, that could be used to promote the purposes of this subtitle.

[(b) In carrying out subsection (a), the Secretary shall—

[(1) identify, assess, and classify existing information and research reports that will further the purposes of this subtitle, including information and research relating to legume-crop rotation, the use of green manure, animal manures, and municipal wastes in agricultural production, soil acidity, liming in relation to nutrient release, intercropping, the role of organic matter in soil productivity and erosion control, the effect of topsoil loss on soil productivity, and biological methods of weed, disease, and insect control;

[(2) identify which of such reports provide useful information and make such useful reports available to farmers and ranchers; and

[(3) identify gaps in such information and carry out a research program to fill such gaps.

[RESEARCH PROJECTS

[SEC. 1465. (a) Subject to section 1468, in cooperation with Federal and State research agencies and agricultural producers, the Secretary shall conduct such research projects as are needed to obtain data, draw conclusions, and demonstrate technologies necessary to promote the purposes of this subtitle.

[(b) In carrying out subsection (a), the Secretary shall conduct projects and studies in areas that are broadly representative of United States agricultural production, including production on small farms.

[(c) In carrying out subsection (a), the Secretary may conduct research projects involving crops, soils, production methods, and weed, insect, and disease pests on individual fields or other areas of land.

[(d) In the case of a research project conducted under this section that involves the planting of a sequence of crops, the Secretary shall conduct such project for a term of—

[(1) at least 5 years; and

[(2) to the extent practicable, 12 to 15 years.

[(e)(1) In coordination with the Extension Service and State cooperative extension services, the Secretary shall take such steps as are necessary to ensure that farmers and ranchers are aware of projects conducted under this section.

[(2) The Secretary shall ensure that such projects are open for public observation at specified times.

[(f)(1) Subject to paragraph (2), the Secretary may indemnify an operator of a project conducted under this section for damage incurred or undue losses sustained as a result of a rigid requirement or research or demonstration under such project that is not experienced in normal farming operations.

[(2) An indemnity payment under paragraph (1) shall be subject to any agreement between a project grantee and operator entered into prior to the initiation of such project.

[COORDINATION

[SEC. 1466. The Secretary shall—

[(1) establish a panel of experts consisting of representatives of the Agricultural Research Service, Cooperative State Research Service, Soil Conservation Service, Extension Service, State cooperative extension services, State agricultural experiment stations and other specialists in agricultural research and technology transfer; and

[(2) ensure that a research project under this subtitle is designed after taking into consideration the views of such panel.

[REPORTS

[SEC. 1467. The Secretary shall submit to the Committee of Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

[(1) not later than 180 days after the effective date of this substitle, a report describing the design of research projects established in accordance with sections 1465 and 1466;

[(2) not later than 15 months after the effective date of this subtitle, a report describing the results of the program carried out under section 1464; and

[(3) not later than April 1, 1987, and each April 1 thereafter, a report describing the progress of projects conducted under this subtitle, including—

[(A) a summary and analysis of data collected under such projects; and

[(B) recommendations based on such data for new basic or applied research.

[AGREEMENTS

[SEC. 1468. The Secretary may carry out sections 1464 and 1465 through agreements with land-grant colleges or universities, other universities, State agricultural experiment stations, nonprofit organizations, or Federal or State governmental entities, that have demonstrated appropriate expertise in agricultural research and technology transfer.

[DISSEMINATION OF DATA

[SEC. 1469. The Secretary shall—

[(1) make available through the Extension Service and State cooperative extension services—

[(A) the information and research reports identified under section 1464; and

[(B) the information and conclusions resulting from any research project conducted under section 1465; and

[(2) otherwise take such steps as are necessary to ensure that such material is made available to the public.

[AUTHORIZATION FOR APPROPRIATIONS

[SEC. 1470. There are authorized to be appropriated such sums as may be necessary to carry out this subtitle, to remain available until expended.

[EFFECTIVE DATE

[SEC. 1471. This subtitle shall become effective on October 1, 1985.]

SECTION 3 OF THE PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930

LICENSES

SEC. 3. (a) * * *

(b) Any person desiring any such license shall make application to the Secretary. The Secretary may by regulation prescribe the information to be contained in such application and to be furnished thereafter. Upon the filing of the application, and annually thereafter, the applicant shall pay such fee as the Secretary determines necessary to meet the reasonably anticipated expenses for administering this Act and the Act to prevent the destruction or dumping of farm produce, approved March 3, 1937 (7 U.S.C. 491-497), but in no event shall such fee exceed $400, plus $200 for each branch or additional business facility operated by the applicant in excess of nine such facilities, as determined by the Secretary. Total annual fees for any applicant shall not exceed $4,000 in the aggregate. Such fee, when collected, shall be deposited in the Treasury of the United States as a special fund, without fiscal year limitation, to be designated as the "Perishable Agricultural Commodities Act Fund", which shall be available for all expenses necessary to the administration of this Act and the Act approved March 3, 1927, referred to above[: *Provided*, That the]. *Any reserve funds in the Perishable Agricultural Commodities Act Fund may be invested by the*

Secretary in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. Any interest earned on such reserve funds shall be credited to the Perishable Agricultural Commodities Act Fund and shall be available for the same purposes as the fees deposited in such fund. The amount of money accumulated and on hand in the special fund at the end of any fiscal year shall not exceed 25 percent of the projected budget for the next following fiscal year**[**: *Provided further,* That financial**]**. *Financial* statements prescribed by the Director of the Bureau of the Budget for the last completed fiscal year, and as estimated for the current and ensuing fiscal years, shall be included in the budget as submitted to the Congress annually. The Secretary shall give public notice of any increase to be made in the annual fee prescribed by him hereunder and shall allow a reasonable time prior to the effective date of such increase for interested persons to file their views on or objections to such increase.

SECTION 8c OF THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

ORDERS

SEC. 8c. (1) * * *

* * * * * * *

VIOLATION OF ORDER

(14)(A) Any handler subject to an order issued under this section, or any officer, director, agent, or employee of such handler, who violates any provision of such order **[**(other than a provision calling for payment of a pro rata share of expenses)**]** shall, on conviction, be fined not less than $50 or more than $5,000 for each such violation, and each day during which such violation continues shall be deemed a separate violation**[**: *Provided,* That if**]**. *If* the court finds that a petition pursuant to subsection (15) of this section was filed and prosecuted by the defendant in good faith and not for delay, no penalty shall be imposed under this subsection for such violations as occurred between the date upon which the defendant's petition was filed with the Secretary, and the date upon which notice of the Secretary's ruling thereon was given to the defendant in accordance with regulations prescribed pursuant to subsection (15).

(B) Any handler subject to an order issued under this section, or any officer, director, agent, or employee of such handler, who violates any provision of such order **[**(other than a provision calling for payment of a pro rata share of expenses)**]** may be assessed a civil penalty by the Secretary not exceeding $1,000 for each such violation. Each day during which such violation continues shall be deemed a separate violation, except that if the Secretary finds that a petition pursuant to paragraph (15) was filed and prosecuted by the handler in good faith and not for delay, no civil penalty may be assessed under this paragraph for such violations as occurred between the date on which the handler's petition was filed with the

Secretary, and the date on which notice of the Secretary's ruling thereon was given to the handler in accordance with regulations prescribed pursuant to paragraph (15). The Secretary may issue an order assessing a civil penalty under this paragraph only after notice and an opportunity for an agency hearing on the record. Such order shall be treated as a final order reviewable in the district courts of the United States in any district in which the handler subject to the order was an inhabitant, or has the handler's principal place of business. The validity of such order may not be reviewed in an action to collect such civil penalty.

POTATO RESEARCH AND PROMOTION ACT

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TITLE III—POTATO RESEARCH AND PROMOTION

This title may be cited as the "Potato Research and Promotion Act."

FINDINGS AND DECLARATION OF POLICY

SEC. 302. Potatoes are a basic food in the United States *and foreign countries.* They are produced by many individual potato growers in every State in the United States *and imported into the United States from foreign countries.* In 1966, there were one million four hundred and ninety-seven thousand acres of cropland in the United States devoted to the production of potatoes. **[**Approximately two hundred and seventy-five million hundredweight of potatoes have been produced annually during the past five years with an estimated sales value to the potato producers of $561,000,000.**]** Potatoes and potato products move**[**, in a large part,**]** in the channels of interstate *or foreign* commerce, and potatoes which do not move in such channels directly burden or affect interstate commerce in potatoes and potato products. **[**All potatoes produced in the United States are in the current of interstate commerce or directly burden, obstruct, or affect interstate commerce in potatoes and potato products.**]**

* * * * * * *

Therefore, it is the declared policy of the Congress and the purpose of this title that it is essential in the public interest, through the exercise of the powers provided herein, to authorize the establishment of an orderly procedure for the financing, through adequate assessments on all potatoes harvested in the United States for commercial use *and imported into the United States from foreign countries,* and the carrying out of an effective and coordinated program of research, development, advertising, and promotion designed to strengthen potatoes' competitive position, and to maintain and expand domestic and foreign markets for potatoes **[**produced in the United States**]** *and potato products.*

DEFINITIONS

SEC. 303. As used in this title:

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "person" means any individual, partnership, corporation, association, or other entity.

(c) The term "potatoes" means all varieties of Irish potatoes grown by producers in the [forty-eight contiguous] *50* States of the United States, *and grown in foreign countries and imported into the United States.*

* * * * * * *

(g) The term "importer" means any person who imports tablestock, frozen, or processed potatoes for ultimate consumption by humans or seed potatoes into the United States.

AUTHORITY TO ISSUE A PLAN

SEC. 304. To effectuate the declared policy of this title, the Secretary shall, subject to the provisions of this title, issue and from time to time amend, orders applicable to [persons engaged in the handling of potatoes (hereinafter referred to as handlers)] *handlers and importers* and shall have authority to issue orders authorizing the collection of assessments on potatoes handled *or imported* under the provisions of this title, and to authorize the use of such funds to provide research, development, advertising, and promotion of potatoes in a manner prescribed in this title. Any order issued by the Secretary under this title shall hereinafter in this title be referred to as a "plan." Any such plan shall be applicable to potatoes produced in the [forty-eight contiguous] *50* States of the United States *and in foreign countries, if importers are subject to a plan and such potatoes are imported into the United States.*

NOTICE AND HEARINGS

SEC. 305. When sufficient evidence is presented to the Secretary by [potato producers] *interested persons,* or whenever the Secretary has reason to believe that a plan will tend to effectuate the declared policy of this title, he shall give due notice and opportunity for a hearing upon a proposed plan. Such hearing may be requested [by potato producers or by any other interested person or persons, including the Secretary] *by any interested person, including the Secretary,* when the request for such hearing is accompanied by a proposal for a plan.

* * * * * * *

REQUIRED TERMS IN PLANS

SEC. 308. Any plan issued pursuant to this title shall contain the following terms and conditions:

(a) * * *

(b) Providing that the board shall be composed of representatives of producers and the public appointed by the Secretary from nominations submitted in accordance with this subsection. *If importers are subject to a plan, the board shall also include up to 5 representatives of importers, appointed by the Secretary from nominations submitted by importers in such manner as may be prescribed by the Secretary.* Representatives of producers shall be nominated by producers in such manner as may be prescribed by the Secretary. Public representatives shall be nominated by the board in such manner as may be prescribed by the Secretary. If producers *or importers* fail to select nominees for appointment to the board, or the board fails to nominate public representatives, the Secretary may appoint persons on the basis of representation as provided for in such plan. The requirement for inclusion of public representatives on the board shall not be subject to producer approval, *or to importer approval when importers are subject to a plan,* in a referendum.

* * * * * * *

(e) Providing that the board shall recommend to the Secretary and the Secretary shall fix the assessment rate at not more than [one cent] *2 cents* per one hundred pounds of potatoes handled; except that if approved by producers, *and importers when importers are* subject to a plan, pursuant to section 314, the rate of assessment shall not exceed one-half of 1 per centum of the immediate past ten-calendar-year United States average price received for potatoes by growers as reported by the Department of Agriculture.

(f) Providing that—

(1) funds collected by the board shall be used for research, development, advertising, or promotion of potatoes and potato products and such other expenses for the administration, maintenance, and functioning of the board, as may be authorized by the Secretary, including any referendum and administrative costs incurred by the Department of Agriculture under this title: *Provided,* That the provision for payment to the Department of Agriculture for any referendum and administrative costs so incurred shall not be subject to producer approval, *or importer approval when importers are subject to a plan,* in a referendum;

[(g) Providing that, notwithstanding any other provisions of this title, any potato producer against whose potatoes any assessment is made and collected under authority of this title and who is not in favor of supporting the research and promotion program as provided for under this title shall have the right to demand and receive from the board a refund of such assessment: *Provided,* That such demand shall be made personally by such producer in accordance with regulations and on a form and within a time period prescribed by the board and approved by the Secretary, but in no event less than ninety days, and upon submission of proof satisfactory to the board that the producer paid the assessment for which refund is sought, and any such refund shall be made within sixty days after demand therefor.]

[(h)] *(g)* Providing that the board shall, subject to the provisions of subsections (e) and (f) of this section, develop and submit to the Secretary for his approval any research, development, advertising, or promotion programs or projects, and that any such program or project must be approved by the Secretary before becoming effective.

[(i)] *(h)* Providing the board with authority to enter into contracts or agreements, with the approval of the Secretary, for the development and carrying out of research, development, advertising or promotion programs or projects, and the payment of the cost thereof with funds collected pursuant to this title.

[(j)**]** *(i)* Providing that the board shall maintain books and records and prepare and submit to the Secretary such reports from time to time as may be prescribed for appropriate accounting with respect to the receipt and disbursement of funds entrusted to it and cause a complete audit report to be submitted to the Secretary at the end of each fiscal period.

PERMISSIVE TERMS IN PLANS

SEC. 309. Any plan issued pursuant to this title may contain one or more of the following terms and conditions:

(a) * * *

* * * * * * *

(g) Providing that any potato producer or importer against whose potatoes any assessment is made and collected under authority of this title and who is not in favor of supporting the research and promotion program as provided for under this title shall have the right to demand and receive from the board a refund of such assessment. Such demand shall be made personally by such producer or importer in accordance with regulations and on a form and within a time period prescribed by the board and approved by the Secretary, but in no event less than 90 days, and upon submission of proof satisfactory to the board that the producer or importer paid the assessment for which refund is sought, and any such refund shall be made within 60 days after demand thereof.

(h) Providing for authority to assess imports of tablestock, frozen, or processed potatoes for ultimate consumption by humans and seed potatoes into the United States.

[(g)**]** *(i)* Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this title and necessary to effectuate the other provisions of such plan.

ASSESSMENTS

SEC. 310. (a)*(1)* Each handler designated by the board, pursuant to regulations issued under the plan, to make payment of assessments shall be responsible for payment to the board, as it may direct, of any assessment levied on potatoes; and such handler may collect from any producer or deduct from the proceeds paid to any producer, on whose potatoes such assessment is made, any such assessment required to be paid by such handler. Such handler shall maintain a separate record with respect to each producer for whom potatoes were handled, and such records shall indicate the total quantity of potatoes handled by him including those handled for producers and for himself, shall indicate the total quantity of potatoes handled by him which are included under the terms of a plan as well as those which are exempt under such plan, and shall indicate such other information as may be prescribed by the board. To facilitate the collection and payment of such assessments, the board may designate different handlers or classes of handlers to recognize differences in marketing practices or procedures utilized in any State or area. No more than one such assessment shall be made on any potatoes.

(2) When importers are subject to a plan, each importer designated by the board, pursuant to regulations issued under the plan, to

make payment of assessments shall be responsible for payment to the board, as it may direct, of any assessment levied on potatoes. The assessment on imported tablestock, frozen, or processed potatoes for ultimate consumption by humans, and seed potatoes shall be established by the board so that the effective assessment shall equal that on domestic production and shall be paid by the importer to the board at the time of entry into the United States. Each such importer shall maintain a separate record including the total quantity of table stock, frozen, processed potatoes for ultimate consumption by humans, and seed potatoes imported into the United States that are included under the terms of the plan as well as those that are exempt under such plan, and shall indicate such other information as may be prescribed by the board. No more than one assessment shall be made on any imported potatoes.

(b) Handlers *and importers* responsible for payment of assessments under subsection (a) of this section shall maintain and make available for inspection by the Secretary such books and records as required by the plan and file reports at the times, in the manner, and having the content prescribed by the plan, to the end that information and data shall be made available to the board and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of this title or of any plan or regulation issued pursuant to this title.

(c) All information obtained pursuant to subsections (a) and (b) of this section shall be kept confidential by all officers and employees of the Department of Agriculture and of the board, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or to which he or any officer of the United States is a party, and involving the plan with reference to which the information to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit—

(1) the issuance of general statements based upon the reports of a number of handlers *or importers* subject to a plan if such statements do not identify the information furnished by any person, or

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INVESTIGATION AND POWER TO SUBPENA

SEC. 313. (a) The Secretary may make such investigations as he deems necessary for the effective carrying out of his responsibilities under this title or to determine whether [a handler or any other] *any* person has engaged or is engaging in any acts or practices which constitute a violation of any provision of this title, or any plan, or rule or regulation issued under this title. For the purpose of any such investigation, the Secretary is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena issued to, any person, including a handler, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. The site of any hearings held under this section shall be within the judicial district where such [handler or other] person is an inhabitant or has his principal place of business.

* * * * * * *

REQUIREMENT OF REFERENDUM

SEC. 314. (a) The Secretary shall conduct a referendum among producers, who during a representative period determined by the Secretary have been engaged in the production of potatoes, for the purpose of ascertaining whether the issuance of a plan is approved or favored by such producers. *When the issuance of a plan would subject importers to the terms and conditions of a plan, the Secretary also shall conduct the referendum among importers, who during a representative period determined by the Secretary have been engaged in the importation of potatoes, for the purpose of ascertaining whether the issuance of such plan is approved or favored by such importers.*

(b) No plan issued under this title shall be effective unless the Secretary determines that the issuance of such plan is approved or favored by not less than [two-thirds of the producers voting in such referendum, or by the producers of not less than two-thirds of the potatoes produced during the representative period by producers voting in such referendum, and by not less than a majority of the producers voting in such referendum] *a majority of the producers voting in such referendum or a majority of the producers and importers when the issuance of a plan would subject importers to the terms and conditions of a plan, voting in such referendum.*

(c) The failure of potato producers *and importers* to approve an amendment to any plan issued under this title shall not be deemed to invalidate such plan.

(d) The ballots and other information or reports which reveal or tend to reveal the vote of any producer or his production of potatoes, *or any importer or the volume of potatoes imported by such importer,* shall be held strictly confidential and shall not be disclosed. Any officer or employee of the Department of Agriculture violating the provisions hereof shall upon conviction be subject to the penalties provided in section 310(c) above.

SUSPENSION OR TERMINATION OF PLANS

SEC. 315. (a) The Secretary shall, whenever he finds that a plan or any provision thereof obstructs or does not tend to effectuate the declared policy of this title, terminate or suspend the operation of such plan or such provision thereof.

(b) The Secretary may conduct a referendum at any time and shall hold a referendum on request of the board or of 10 per centum or more of the potato producers, *or of the total number of producers and importers when importers are subjects to a plan,* to determine if potato producers *and importers* favor the termination or suspension of the plan, and he shall terminate or suspend such plan at the end of the marketing year whenever he determines that such suspension or termination is favored by a majority of those voting in a referendum, and who produce *and import* more than 50 per centum of the volume of the potatoes produced [by the potato producers voting in the referendum] *and imported by those voting in the referendum.*

(c) The termination or suspension of any plan, or any provision thereof, shall not be considered the issuance of a plan within the meaning of this part.

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Cotton Research and Promotion Act

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LEGISLATIVE FINDINGS AND DECLARATION OF POLICY

Sec. 2. Cotton is the basic natural fiber of the Nation. It is produced by many individual cottongrowers throughout the various cotton-producing States of the Nation *and also outside the United States.* Cotton moves [in large part] in the channels of interstate and foreign commerce and such cotton which does not move in such channels directly burdens or affects interstate commerce in cotton and cotton products. [All cotton produced in the United States is in the current or interstate or foreign commerce or directly burdens, obstructs, or affects interstate or foreign commerce in cotton and cotton products.] The efficient production of cotton and the maintenance and expansion of existing markets and the development of new or improved markets and uses is vital to the welfare of cottongrowers and those concerned with marketing, using, and processing cotton as well as the general economy of the Nation. [In the years since World War II, United States cotton and the products thereof have been confronted with intensive competition, both at home and abroad, from foreign-grown cotton and from other fibers, primarily manmade fibers. The great inroads on the market and uses for United States] *The great inroads on the market and uses for* cotton which have been made by manmade fibers have been largely the result of extensive research and promotion which have not been effectively matched by cotton research and promotion. The production and marketing of cotton by numerous individual farmers have prevented the development and carrying out of adequate and coordinated programs of research and promotion necessary to the maintenance and improvement of the competitive position of, and markets for, cotton. Without an effective and coordinated method for assuring cooperative and collective action in providing for, and financing such programs, individual cotton farmers are unable adequately to provide or obtain the research and promotion necessary to maintain and improve markets for cotton.

* * * * * * *

It is therefore declared to be the policy of the Congress and the purpose of this Act that it is essential in the public interest through the exercise of the powers provided herein, to authorize and enable the establishment of an orderly procedure for the development, financing through adequate assessments on all cotton **[**harvested**]** *marketed* in the United States *and on imports of cotton,* and carrying out an effective and continuous coordinated program of research and promotion designed to strengthen cotton's competitive position and to maintain and expand domestic and foreign markets and uses for United States cotton.

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REQUIRED TERMS IN ORDERS

Sec. 7. Order issued pursuant to this Act shall contain the following terms and conditions:

(a) Providing for the establishment and selection by the Secretary, of a Cotton Board, and defining its powers and duties, which shall include only the powers:

(1) To administer such order in accordance with its terms and provisions;

(2) To make rules and regulations to effectuate the terms and provisions of such order, including the designation of the **[**handler**]** *person* responsible for collecting the **[**producer**]** assessment;

(3) To receive, investigate, and report to the Secretary complaints of violations of such order; and

(4) To recommend to the Secretary amendments to such order.

(b) Providing that the Cotton Board shall be composed of *(1)* representatives of cotton producers selected by the Secretary from nominations submitted by eligible producer organizations within a cotton-producing State, as certified pursuant to section 14 of this Act, or, if the Secretary determines that a substantial number of producers are not members of or their interests are not represented by any such eligible producer organizations, from nominations made by producers in the manner authorized by the Secretary, so that the representation of cotton producers on the Board for each cotton-producing State shall reflect, to the extent practicable, the proportion which that State's marketings of cotton bears to the total marketings of cotton in the United States**[**: *Provided, however,* That each cotton-producing State shall be entitled to at least one representative on the Cotton Board. The Secretary may appoint a number of consumer advisors to the Cotton Board not to exceed 15 per centum of the membership of the Cotton Board. The Cotton Board shall reimburse the consumer advisors for expenses incurred in attending meetings of the Board in the same manner as the Cotton Board members.**]**, and *(2) when imports of cotton are* *subject to an order, an appropriate number of representatives, as determined by the Secretary, of importers of cotton on which assessments are paid under this Act. Such importer representatives shall be appointed by the Secretary after consultation with organizations representing importers, as determined by the Secretary. Each cotton-producing State shall be entitled to at least one representative on the Cotton Board.*

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[(e) Providing that the producer or other person for whom the cotton is being handled shall pay to the handler of cotton designated by the Cotton Board pursuant to regulations issued under the order and that such handler of cotton shall collect from the producer or other person for whom the cotton, including cotton owned by the handler, is being handled, and shall pay to the Cotton Board, an assessment prescribed by the order, on the basis of bales of cotton handled, for such expenses and expenditures, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cotton Board under the order, during any period specified by him, and for reimbursing the Secretary (1) for expenses not to exceed $200,000 incurred by him in connection with any referendum conducted under section 8, and (2) for administrative costs incurred by the Secretary for supervisory work up to 5 employee years after an order or amendment to an order has been issued and made effective. To facilitate the collection and payment of such assessments, the Cotton Board may designate different handlers or classes of handlers to recognize differences in marketing practices or procedures utilized in any State or area, except that no more than one such assessment shall be made on any bale of cotton, unless specifically authorized by provisions of this subsection. The rate of assessment prescribed by the order shall be $1 per bale of cotton handled but, subject to approval in a referendum as provided in section 8, the Secretary shall issue an amendment to the order which shall provide that, in each marketing year, the rate shall be supplemented by an additional per bale amount to be collected or paid as provided in this subsection, such amount to be at collected or paid as provided in this subsection, such amount to be at a rate as prescribed in the amendment to the order, but not to exceed 1 per centum of the value of cotton as determined by the Cotton Board and the Secretary. Neither the amendment to the order authorized by the foregoing provisions nor the disapproval of such amendment in a referendum shall operate to decrease or otherwise affect the amount of the assessment of $1 per bale in effect under the order published in the Federal Register on December 31, 1966. No authority under this Act may be used as a basis to advertise or solicit votes in any referendum relating to the rate of assessment with funds collected under this Act. The Secretary may maintain a suit against any person subject to the order for the collection of such assessment, and the serveral district courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy: *Provided*, That the remedies provided in this section shall be in addition to, and not exclusive of, the remedies provided for elsewhere in this Act or now or hereafter existing at law or in equity.]

(e)(1) Providing that—

(A) the producer or other person for whom the cotton is being handled shall pay to the handler of such cotton designated by the Cotton Board pursuant to regulations issued under the order;

(B) such handler shall collect from the producer or other person for whom the cotton, including cotton owned by the handler, is being handled, and shall pay to the Cotton Board; and

(C) each importer shall pay to the Cotton Board on imports of cotton,

an assessment prescribed by the order, on the basis of bales of cotton handled or imported. The assessment shall cover such expenses and expenditures, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cotton Board under the order, during any period specified by the Secretary.

(2) The order shall provide for reimbursing the Secretary—

(A) for expenses not to exceed $300,000 incurred by the Secretary in connection with any referendum conducted under section 8; and

(B) for administrative costs incurred by the Secretary for supervisory work up to 5 employee years after an order or amendment to an order has been issued and made effective.

There shall also be included in the order a provision for reimbursing any agency of the Federal Government that assists in administering the import provisions of the order for a reasonable amount of the expenses incurred by that agency in connection therewith.

(3) To facilitate the collection and payment of such assessments, the Cotton Board may designate different handlers or importers or classes of handlers or importers to recognize differences in marketing practices or procedures utilized in any State or area, except that no more than one such assessment shall be made on any bale of cotton, unless specifically authorized by provisions of this subsection.

REQUIREMENT OF REFERENDUM AND COTTON PRODUCER APPROVAL

SEC. 8. *(a)* The Secretary shall conduct a referendum among persons who, during a representative period determined by the Secretary, have been engaged in the production of cotton for the purpose of ascertaining whether the issuance of an order is approved or favored by producers. No order issued pursuant to this Act shall be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than two-thirds of the producers voting in such referendum, or by the producers of not less than two-thirds of the cotton produced during the representative period by producers voting in such referendum and by not less than a majority of the producers voting in such referendum.

(b)(1) Notwithstanding the provisions of sections 4 and 5, not later than 150 days after the date of enactment of the Cotton Research and Promotion Act Amendments of 1990, and after notice and opportunity for public comment, the Secretary shall issue a proposed amendment to the order implementing the provisions of such Act, which shall become effective as provided in paragraph (2).

(2) Notwithstanding the provisions of subsection (a), the Secretary shall, within a period not to exceed 8 months after the date of enactment of the Cotton Research and Promotion Act Amendments of 1990, conduct a referendum among persons who have been cotton producers and importers during a representative period, as determined by the Secretary, for the purpose of ascertaining if a majority of those voting approve the proposed amendment to the order issued by the Secretary under paragraph (1). The Secretary shall announce the results of the referendum within 30 days after the date of such referendum. If the amendment is approved in the referendum, within a period not to exceed 90 days from the date of announcement of the results of such referendum, the Secretary shall publish the amendment to the order and regulations implementing the amendment provided for in this subsection.

(c)(1) Notwithstanding the provisions of sections 4 and 5, once every five years after the date of the referendum provided for under subsection (b), the Secretary shall conduct a review to ascertain whether a referendum is needed to determine whether producers and importers favor continuation of the amendment to the order provided for in the Cotton Research and Promotion Act Amendments of 1990 if such amendment is then in effect or, if such an amendment is not in effect, whether they favor approval of such amendment. The Secretary shall make a public announcement of the results of the review within 60 days after each fifth anniversary date of the referendum provided for under subsection (b). If the Secretary determines to provide for such a referendum, the Secretary shall conduct the referendum within 12 months after a public announcement of the determination to conduct the referendum.

(2) If the Secretary does not provide for such a referendum on the Secretary's own initiative, the Secretary shall conduct such a referendum upon the request of 10 percent or more of the number of cotton producers and importers voting in the most recent referendum, except that, in counting such requests for a referendum, not more than 20 percent of such requests may be from producers from any one State. Producers and importers may sign up to request such a referendum at the county office of the Agricultural Stabilization and Conservation Service, or county extension agent, or by mailing such a request to the Secretary, as prescribed in regulations. The signup period shall be for a period not to exceed 90 days, shall commence 60 days after the Secretary makes a public announcement of a determination not to provide for a referendum on the Secretary's own initiative, and shall be publicized by the Secretary and the Cotton Board immediately after such public announcement. The referendum shall be held within 12 months after the end of the signup period, if requested by the requisite number of persons.

(3) The amendment to the order provided for in this subsection shall not be effective if it is disapproved by a majority of cotton producers and importers of cotton voting in the referendum.

SUSPENSION AND TERMINATION OF ORDERS

SEC. (a) * * *

[(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of cotton producers voting in the referendum approving the order, to determine whether cotton producers favor the termination whether cotton producers favor the termination or suspension of the order, and he shall suspend or terminate such order at the end of the marketing year, as defined in the order, whenever he determines that suspension or termination of the order is approved or favored by a majority of the producers of cotton voting in such referendum who, during a representative period determined by the Secretary, have been engaged in the production of cotton, and who produced more than 50 per centum of the volume of the cotton produced by the cotton producers voting in the referendum.]

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of equivalent to at least 10 percent of those persons voting in the most recent referendum, to determine whether cotton producers and importers subject to the order favor the termination or suspension of the order. The Secretary shall suspend or terminate the order at the end of the marketing year, as defined in the order, whenever the Secretary determines suspension or termination of the order is approved by a majority of producers and importers (subject to the order) voting in the referendum who, during a representative period determined by the Secretary, have been engaged in the production and importation of cotton and who produced and imported more than 50 percent of the volume of cotton produced and imported by those voting in the referendum.

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[PROVISIONS APPLICABLE TO AMENDMENTS

[SEC. 10. The provisions of this Act applicable to orders shall be applicable to amendments to orders.]

PROVISIONS APPLICABLE TO AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b), the provisions of this Act applicable to orders shall be applicable to amendments to orders.

(b) No amendment to an order issued under this Act shall be effective unless the Secretary determines that—

(1) with respect to an amendment referred to in section 8(b) or 8(c), the amendment is approved by producers and importers of cotton as provided in such section; or

(2) with respect to any other amendment, that the amendment is approved by a majority of cotton producers and importers subject to the order voting in the referendum.

(c) The disapproval of any amendment to an order issued under this Act shall not be deemed to invalidate such order.

PRODUCER REFUNDS

SEC. 11. [Notwithstanding any other provision] *(c) Notwithstanding any other section and except as provided in subsection (b),* of this Act, any cotton producer against whose cotton any assessment is made and collected from him under the authority of this Act and who is not in favor of supporting the research and promotion program as provided for herein shall have the right to demand and receive from the Cotton Board a refund of such assessment: *Provided,* That such demand shall be made personally by such producer in accordance with regulations and on a form and within a time period prescribed by the Board and approved by the Secretary, but in no event less than ninety days, and upon submission of proof satisfactory to the Board that the producer paid the assessment for which refund is sought, and any such refund shall be made within sixty days after demand therefor.

(b) The right of a producer to demand a refund under subsection (a) shall terminate if the proposed amendment of the order implementing the Cotton Research and Promotion Amendments Act of 1990 is approved in the referendum provided for under section 8. Such right shall terminate 30 days after the date the Secretary announces the results of such referendum if such proposed amendment is approved. Such right shall be reinstated if the amendment should be disapproved in any subsequent referendum.

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DEFINITIONS

SEC. 17. As used in this Act:

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "person" means any individual, partnership, corporation, association, or any other entity.

(c) The term "cotton" means *(1)* all upland cotton harvested in the United States, and, except as used in section 7(e), includes cottonseed of such cotton and the products derived from such cotton and [its seed.] *its seed and (2) imports of upland cotton. The term "cotton" shall not, however, include any entry of imported cotton by an importer that has a value or weight less than any de minimis figure established in accordance with regulations issued by the Secretary. Any de minimis figure established under this paragraph shall be such as to minimize the burden in administering the assessment provision but still provide for the maximum participation of imports of cotton in the assessment provisions of this Act.*

(d) The term "handler" means any person who handles cotton or cottonseed *or, for the purposes of sections 3, 6(c), and 13, any person who imports cotton, including de minimis amounts of cotton described in subsection (c),* in the manner specified in the order or in the rules and regulations issued thereunder.

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(h)(1) the term "importer" means any person who enters, or withdraws from warehouse, cotton produced outside the United States for consumption in the customs territory of the United States.

(2) The term "import" means any such entry.

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COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978

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[POLICY AND PURPOSE

[SEC. 2. (a) Congress finds and declares that—

[(1) most of the Nation's productive forest land is in private, State, and local governmental ownership, and the Nation's capacity to produce renewable forest resources is significantly dependent on these non-Federal forest lands;

[(2) adequate supplies of timber and other forest resources are essential to the Nation, and adequate supplies are dependent upon efficient methods for establishing, managing, and harvesting trees aqnd processing, marketing, and using wood and wood products;

[(3) managed forest lands provide habitats for fish and wildlife, as well as esthetics, outdoor recreation opportunities, and other forest resources;

[(4) insects and diseases affecting trees occur and sometimes create emergency conditions on all land, whether Federal or non-Federal, and efforts to prevent and control such insects and diseases often require coordinated action by both Federal and non-Federal land managers;

[(5) fires in rural areas threaten human lives, property and forests and other resources, and Federal-State cooperation in forest fire protection has proven effective and valuable;

[(6) trees and forests are of great environmental and economic value to urban areas; and

[(7) managed forests contribute to improving the quality, quantity, and timing of water yields, which are of broad benefit to society.

[(b) The purpose of this Act is to authorize the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary"), with respect to non-Federal forest lands, to assist in—

[(1) the advancement of forest resources management;

[(2) the encouragement of the production of timber;

[(3) the prevention and control of insects and diseases affecting trees and forests;

[(4) the prevention and control of rural fires;

[(5) the efficient utilization of wood and wood residues, including the recycling of wood fiber;

[(6) the improvement and maintenance of fish and wildlife habitat; and

[(7) the planning and conduct of urban forestry programs.

[(c) It is in the national interest for the Secretary to work through and in cooperation with State foresters or equivalent State officials in implementing Federal programs affecting non-Federal forest lands.

[(d) This Act shall be deemed to complement the policies and direction set forth in the Forest and Rangeland Renewable Resources Planning Act of 1974.

[RURAL FORESTRY ASSISTANCE

[SEC. 3. (a) Congress finds that—

[(1) production of timber on non-Federal forest lands and the efficient processing and use of wood produced on these lands are important in meeting the Nation's demand for wood and wood products;

[(2) the Federal Government can assist in increasing timber inventories improving and maintaining fish and wildlife habitat, and providing other forest resources on non-Federal forest lands; and

[(3) Federal assistance in forest resources management on non-Federal forest lands and the utilization of resources from these lands contribute to the economic strength and environmental quality of the Nation, providing many public benefits.

[(b) The Secretary is authorized to provide financial, technical and related assistance to State foresters or equivalent State officials to—

[(1) develop genetically improved tree seeds;

[(2) procure, produce, and distribute tree seeds and trees for the purpose of establishing forests, windbreaks, shelterbelts, woodlots, and other plantings;

[(3) plant tree seeds and trees for the reforestation or afforestation of non-Federal forest lands suitable for the production of timber and other benefits associated with the growing of trees;

[(4) plan, organize, and implement measures on non-Federal forest lands, including but not limited to, thinning, prescribed burning, and other silvicultural practices designed to increase the quantity and improve the quality of trees and other vegetation, fish and wildlife habitat, and water yielded therefrom;

[(5) protect or improve soil fertility on non-Federal forest lands and the quality, quantity, and timing of water yields; and

[(6) provide technical information, advice, and related assistance to private forest landowners and managers, vendors, forest operators, wood processors, public agencies, and individuals regarding—

[(A) the harvesting, processing, and marketing of timber and other forest resources and the marketing and utilization of wood and wood products;

[(B) conversion of wood to energy for domestic, industrial, municipal, and other uses;

[(C) management planning and treatment of forest land, including, but not limited to, site preparation, reforestation, thinning, prescribed burning, and other silvicultural practices designed to increase the quantity and improve the quality of timber and other forest resources;

[(D) protection and improvement of forest soil fertility and the quality, quantity, and timing of water yields; and

[(E) the effects of forestry practices on fish and wildlife and their habitats.

[(c) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section.

[FORESTRY INCENTIVES

[SEC. 4. (a) The Secretary is authorized to develop and implement a forestry incentives program to encourage the development, management, and protection of nonindustrial private forest lands. The purposes of such program shall be to encourage landowners to apply practices that will provide for afforestation of suitable open lands, reforestation of cutover or other nonstocked or understocked forest lands, timber stand improvement practices, including thinning, prescribed burning, and other silvicultural treatments, and forest resources management and protection, so as to provide for the production of timber and other forest resources associated therewith.

[(b) For the purposes of this section, the term "private forest land" means land capable of producing crops of industrial wood and owned by any private individual, group, Indian tribe or other native group, association, corporation, or other legal entity.

[(c) Landowners shall be eligible for cost sharing under this program if they own one thousand acres or less of private forest land, except that the Secretary may approve cost sharing with landowners owning more than one thousand acres of such land if significant public benefits will accure. In no case, however, may the Secretary approve cost sharing with landowners owning more than five thousand acres of private forest land.

[(d) The Secretary shall administer this section in accordance with regulations the Secretary shall develop in consultation with the committee described in section 10(c) of this Act. Regulations issued under title X of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973, to the extent not inconsistent with the provisions of this section, shall remain in effect until revoked or amended by regulations issued under this subsection. The regulations issued under this subsection shall include guidelines for the administration of this section at the Federal and State levels, and shall identify the measures and activities eligible for cost sharing under this section.

[(e) Individual forest management plans developed by the landowner in cooperation with and approved by the State forester or equivalent State official shall be the basis for agreements between the landowner and the Secretary under this section. The Secretary shall encourage participating States to use private agencies, consultants, organizations, and firms to the extent feasible for the preparation of individual forest management plans.

[(f) In return for the agreement by the landowner, the Secretary shall agree to share the cost of implementing those forestry practices and measures set forth in the agreement for which the Secretary determines that cost sharing is appropriate. The portion of such cost (including labor) to be shared shall be that portion that the Secretary determines is necessary and appropriate to implement the forestry practices and measures under the agreement, but not more than 75 percent of the actual costs incurred by the landowner. The maximum amount any individual may receive annually under the program authorized by this section shall be determined by the Secretary in consultation with the committee described in section 10(c) of this Act.

[(g) The Secretary shall, for the purposes of this section, distribute funds available for cost sharing among the States only after assessing the public benefit incident thereto, and after giving appropriate consideration to (1) the acreage of private commercial forest land in each State (2) the potential productivity of such land, (3) the number of ownerships eligible for cost sharing in each State, (4) the need for reforestation, timber stand improvement, or other forestry investments on such ownerships, and (5) the enhancement of other forest resources.

[(h) The Secretary may, if the Secretary determines that doing so will contribute to the effective and equitable administration of the program authorized by this section, use an advertising and bid procedure in determining the lands in any area to be covered by agreements under this section.

[(i) In implementing this section, the Secretary may use the authorities provided in sections 1001, 1002, 1003, 1004, and 1008 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973.

[(j) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section, including funds necessary for technical assistance and expenses associated therewith.]

SEC. 2. FINDINGS, PURPOSE, AND POLICY.

(a) FINDINGS.—Congress finds that—

(1) most of the productive forest land of the United States is in private, State, and local governmental ownership, and the capacity of the United States to produce renewable forest resources is significantly dependent on such non-Federal forest lands;

(2) adequate supplies of timber and other forest resources are essential to the Nation and are dependent on proper forest management and efficient methods for establishing, managing, and harvesting trees and processing, marketing, and using wood and wood products;

(3) nearly one-half of the wood supply of the Nation comes from non-industrial private timberlands and such percentage could rise with expanded assistance programs;

(4) non-industrial private forest lands provide important habitats for fish and wildlife, as well as aesthetics, outdoor recreation opportunities, and other goods and services;

(5) the soil, water, air quality, and aesthetics of the Nation can be maintained and improved through good stewardship of privately held forest resources;

(6) insects and diseases affecting trees occur and sometimes create emergency conditions on all land, whether Federal or non-Federal, and efforts to prevent and control such insects and diseases often require coordinated action by both Federal and non-Federal land managers;

(7) fires in rural areas threaten human lives, property, and forests and other resources, and Federal-State cooperation in forest fire protection has proven effective and valuable;

(8) the products and services resulting from non-industrial private forest land stewardship provide income and employment that contributes to the economic health and diversity of rural communities;

(9) stewardship of privately held forest resources requires a long-term commitment that can only be fostered through local, State, and Federal governmental actions; and

(10) the Department of Agriculture, through the coordinated efforts of the Agriculture Research Service, Agriculture Stabilization and Conservation Service, Cooperative State Research Service, Extension Service, Forest Service, and Soil Conservation Service, cooperating with other Federal agencies, and State foresters and others, has the expertise and experience to assist private landowners in achieving individual goals and public benefits.

(b) Purpose.—It is the purpose of this Act to authorize the Secretary of Agriculture (hereafter in this Act referred to as the "Secretary"), with respect to non-Federal forest lands, to assist in—

(1) the establishment of a coordinated and cooperative Federal, State, and local forest resources stewardship program to promote the multiple-use management of the non-Federal forest lands of the United States;

(2) the encouragement of the production of timber;

(3) the prevention and control of insects and diseases affecting trees and forests;

(4) the prevention and control of rural fires;

(5) the efficient utilization of wood and wood residues, including the recycling of wood fiber;

(6) the improvement and maintenance of fish and wildlife habitat;

(7) the planning and implementation of urban forestry programs; and

(8) the strengthening of educational, technical and financial assistance programs that provide assistance to non-Federal forest land owners.

(c) Policy.—It is the policy of Congress that it is in the national interest for the Secretary to work in cooperation with State foresters or equivalent State officials and the private sector in implementing Federal programs affecting non-Federal forest lands.

(d) Construction.—This Act shall be construed to complement the policies and direction under the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.).

SEC. 3. RURAL FORESTRY ASSISTANCE.

(a) In General.—The Secretary, in consultation with the appropriate Federal, State and local agencies, and the private sector shall establish and implement expanded programs that provide educational and technical assistance to meet the goals of this Act.

(b) Assistance to State Officials.—The Secretary may provide financial, technical, educational, and related assistance to State foresters, State extension directors, and equivalent State officials to enable such officials to provide technical information, advice, and related assistance to private forest land owners and managers, vendors, forest resource operators, forest resource professionals, public agencies and individuals to enable such persons to carry out activities that are consistent with the purposes of this Act, including—

(1) protecting, maintaining, enhancing, and preserving forest lands and the multiple values and uses that depend on such lands;

(2) identifying, protecting, maintaining, enhancing and preserving wildlife and fish species and their habitats;

(3) implementing the latest forest management technologies;

(4) selecting, producing, and marketing alternative forest crops products and services from forest lands;

(5) protecting forest land from damage caused by fire, insects, disease, and damaging weather;

(6) managing the rural-land and urban-land interface to balance the use of forest resources in and adjacent to urban and community areas;

(7) identifying and managing recreational forest land resources; and

(8) administering the management of resources of forest lands, including—

(A) the harvesting, processing, and marketing of timber and other forest resources and the marketing and utilization of wood and wood products;

(B) the conversion of wood to energy for domestic, industrial, municipal, and other uses;

(C) the planning, management, and treatment of forest land, including site preparation, reforestation, thinning, prescribed burning, and other silvicultural activities designed to increase the quantity and improve the quality of timber and other forest resources;

(D) ensuring that forest regeneration or reforestation occurs if needed to sustain long-term resource productivity;

(E) protecting and improving forest soil fertility and the quality, quantity, and timing of water yields; and

(F) protecting and improving fish and wildlife and their habitats.

(c) ASSISTANCE TO STATE FORESTERS.—The Secretary is authorized to provide financial, technical, and related assistance to State foresters, or equivalent State officials, to—

(1) develop genetically improved tree seeds;

(2) procure, produce, and distribute tree seeds and trees for the purpose of establishing forests, windbreaks, shelterbelts, woodlots, and other plantings;

(3) plant tree seeds and trees for the reforestation or afforestation of non-Federal forest lands that are suitable for timber production, recreational use or the generation of other benefits associated with the growing of trees;

(4) plan, organize, and implement measures on non-Federal forest lands, including thinning, prescribed burning, and other silvicultural activities designed to increase the quantity and improve the quality of trees and other vegetation, fish and wildlife habitat, and water yielded therefrom; and

(5) protect or improve soil fertility on non-Federal forest lands and the quality, quantity, and timing of water yields.

(d) LAND GRANT UNIVERSITIES.—The Secretary, in consultation with the State foresters or equivalent State officials, may cooperate directly with other State and local natural resource management

agencies and land grant universities in implementing this Act in cases in which the State foresters or equivalent State officials are not able to make fund transfers to other State and local agencies.

(e) Implementation.—In implementing this section, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, universities and the private sector.

(f) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 4. FOREST RESOURCES STEWARDSHIP PROGRAM.

(a) Establishment.—The Secretary, in consultation with State foresters or equivalent State officials, shall establish a Forest Resources Stewardship Program, (hereafter referred to in this section as the "Program"), to encourage the long-term stewardship of nonindustrial private forest lands by assisting owners of such lands to more actively manage their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise and assistance programs.

(b) Goal.—The goal of the Program shall be to enroll at least 25,000,000 acres of nonindustrial private forest land in the Program by December 31, 1995.

(c) Definition.—For the purposes of this section, the term "private forest land" means land capable of producing crops of industrial wood and owned by any private individual, group, association, corporation, Indian tribe or other native group, or other legal entity.

(d) Implementation.—In carrying out the Program the Secretary, in consultation with each State Forester or equivalent State official, shall—

(1) establish a State Advisory Committee in accordance with section 11(b); and

(2) provide financial, technical, and related assistance to State Foresters or equivalent State officials, including assistance to help such State Foresters or equivalent officials to provide financial assistance to other State and local natural resource entities, both public and private, and land-grant universities for the delivery of information and professional assistance to owners of nonindustrial private forest lands. The Secretary, in consultation with each State forester or equivalent State official, is also authorized to cooperate directly with other State and local natural resource entities, both public and private, and land-grant universities in implementing this section where the State forester or equivalent State officials are not able to make fund transfers to other agencies. Such information and assistance shall be directed to help the owners of such nonindustrial forest lands understand and evaluate alternative actions they might take, including—

(A) managing and enhancing the productivity of timber, fish and wildlife habitat, and water, wetlands, and recreation resources;

(B) investing in practices to protect, maintain, and enhance the resources identified in subparagraph (A);

(C) ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement,

practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and non-timber forest resources to help meet future public demand for all forest resources and provide the environmental benefits that result; and

(D) protecting their forests from damage caused by fire, insects, disease, and damaging weather.

(e) ELIGIBILITY.—All existing private nonindustrial forest lands that are not currently under a forest management plan are eligible for assistance under the Program. Private nonindustrial forest lands that are managed under existing Federal, State, or private sector financial and technical assistance programs may be eligible for assistance under the Program if the landowner agrees to comply with the requirements of the Program or if forest management activities on such forest lands are expanded or enhanced to meet the requirements of this Act.

(f) DUTIES OF OWNERS.—To enter forest land into the Program, landowners shall—

(1) prepare and submit to the State forester or equivalent State official a forest resources stewardship plan that meets the requirements of this section and that—

(A) is prepared by a professional resource manager;

(B) identifies and describes actions to be taken by the landowner to protect soil, water, range, aesthetic quality, recreation, timber, water, and fish and wildlife resources on such land in a manner that is compatible with the objectives of the landowners; and

(C) is approved by the State forester, or equivalent State official, in accordance with Federal and State law; and

(2) agree that all activities conducted on such land shall be consistent with the stwardship plan.

(g) PREPARATION OF PLANS.—The Secretary shall encourage the use of private agencies, consultants, organizations, and firms to the extent feasible, for the preparation of individual forest resources stewardship plans and the implementation of approved activities.

(h) STEWARDSHIP RECOGNITION.—The Secretary, in consultation with State foresters or equivalent State officials, is encouraged to develop an appropriate recognition program for landowners who practice stewardship management on their lands, with an appropriate, special recognition symbol and title.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated $20,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary thereafter, to carry out this section.

SEC. 4A. STEWARDSHIP INCENTIVE PROGRAM.

(a) IN GENERAL.—The Secretary is authorized to develop and implement a Stewardship Incentive Program to provide cost share assistance for tree-planting and other forest management activities in accordance with approved stewardship plans.

(b) ELIGIBILITY.—Eligibility for cost sharing assistance under the stewardship incentive program established under this section shall

be available for owners of existing private nonindustrial forest lands that—

(1) have developed an approved forest resources stewardship plan pursuant to section 4(f);

(2) agree to implement approved activities pursuant to subsection (d) in accordance with the plan for a period of not less than 10 years unless the State forester or equivalent State official approves a modification to such plan; and

(3) own not more than 1,000 acres of private forest land, except that the Secretary may approve the provision of cost-sharing assistance to landowners that own more than 1,000 acres of such land if the Secretary determines that significant public benefits will accrue from such approval. The Secretary shall not approve of the provision of cost-sharing assistance to any landowner owning in excess of 5,000 acres of private forest land.

(c) STATE PRIORITIES.—The Secretary in consultation with the State forester or equivalent State official, other State natural resource management agencies, and the Advisory Committee established pursuant to section 10A may recommend State priorities for cost-sharing under this section that will promote unique forest management objectives in that State.

(d) APPROVED ACTIVITIES.—(1) DEVELOPMENT OF LIST.—The Secretary, in consultation with the Advisory Committee established pursuant to section 10A, shall develop a list of approved forest management activities that will be eligibile for cost-share assistance under this section within each State.

(2) TYPE OF ACTIVITIES.—Approved activities under paragraph (1) may include—

(A) the growing and management of forests for timber production;

(B) the management and maintenance of forests for shelterbelts, windbreaks, and other conservation purposes;

(C) the protection, restoration, and use of forest wetlands and native vegetation on other lands vital to water quality;

(D) the maintenance and improvement of fish and wildlife habitat; and

(E) the management and protection of forest lands for their aesthetic values and outdoor recreational opportunities.

(e) REIMBURSEMENT FOR ELIGIBILE ACTIVITIES.—(1) IN GENERAL.—The Secretary may share the cost of developing and carrying out the forest resources stewardship plan under section 4 and of implementing the approved activities that the Secretary determines are appropriate and in the public interest pursuant to subsection (d), with landowners who have entered into agreements to place their forest land into the Stewardship Incentive Program.

(2) RATE OF REIMBURSEMENT.—The Secretary, in consultation with the State forester, or equivalent State official, shall determine the appropriate reimbursement rate for making cost share payments under paragraph (1), and the schedule of such payments.

(3) MAXIMUM.—The Secretary shall not make cost share payments under this subsection to a landowner in an amount in excess of 75 percent of the total cost to such landowner of developing and implementing the forest resources stewardship plan. Total payments to any one landowner shall be determined by the Secretary.

(f) Recapture Provision.—The Secretary shall establish and implement a recapture provision to be applied in the event that a landowner terminates any approved practice require under the forest resources stewardship plan.

(g) Distribution of Funds.—The Secretary shall distribute funds available for cost sharing under this section among the States only after assessing the public benefit incident to such distribution, and after giving appropriate consideration to—

(1) the acreage of private forest land in each State;

(2) the potential productivity of such land;

(3) the number of owners ~~of such~~ land eligible for cost sharing in each State;

(4) the need for reforestation in each State;

(5) the opportunities to enhance non-timber resources on such forest lands; and

(6) the anticipated demand for timber and non-timber resources in each state.

(h) Other Authority.—In implementing this section, the Secretary may use the authorities provided in sections 1001, 1002, 1004, and 1008 of the Agricultural Act of 1970 (16 U.S.C. 1501, 1502, 1504 and 1508), as amended by the Agriculture and Consumer Protection Act of 1973.

(i) Authorization of Appropriations.—There are authorized to be appropriated $100,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary thereafter to carry out this section.

INSECT AND DISEASE CONTROL

Sec. 5. (a) * * *

* * * * * * *

(g) There are hereby authorized to be appropriated annually such sums as may be needed to implement this section, *other than subsection (h).*

(h) Subject to the provisions of subsections (c) and (e) and to the availability of appropriations, the Secretary shall, in cooperation with State foresters or equivalent State officials, subdivisions of States, or other entities on non-Federal lands, (hereafter in this section referred to as the "cooperator")—

(1) provide cost-share assistance to such cooperators who have established an acceptable integrated pest management strategy, as determined by the Secretary, that will prevent, retard, control, or suppress gypsy moth, southern pine beetle, or spruce budworm infestations in an amount no less than 50 percent nor greater than 75 percent of the cost of implementing such strategy; and

(2) upon request, assist the cooperator in the development of such integrated pest management strategy.

(i) There are hereby authorized to be appropriated annually $10,000,000 to implement subsection (h).

URBAN FORESTRY ASSISTANCE

SEC. 6. (a) * * *

* * * * * * *

(c) The Secretary in cooperation with State foresters and State extension agents or equivalent State officials shall implement a program of education and technical assistance for urban and community forest resources. The program shall be designed to—

(1) assist urban areas and communities in conducting inventories of their forest resources, including inventories of the species, number, location, and health of trees in urban areas and communities, and the status of related resources (including fish and wildlife habitat, water resources, and trails);

(2) assist State and local organizations (including community associations and schools) in organizing and conducting urban and community forestry projects and programs;

(3) improve education and technical support in—

(A) selecting tree species appropriate for planting in urban and community environments;

(B) providing for proper tree planting, maintenance, and protection in urban areas and communities;

(C) protecting individual trees and preserving existing open spaces with or without tree cover; and

(D) identifying opportunities for expanding tree cover in urban areas and communities;

(4) assist in the development of State and local management plans for trees and associated resources in urban areas and communities; and

(5) increase public understanding of the economic, social, environmental, and psychological values of trees and open space in urban and community environments and expand knowledge of the ecological relationships and benefits of trees and related resources in these environments.

(d) PROCUREMENT OF PLANT MATERIALS.—The Secretary, in cooperation with State foresters or equivalent State officials, shall assist in identifying sources of plant materials and may procure or otherwise obtain such plant materials from public or private sources and may make such plant materials available to urban areas and communities for the purpose of reforesting open spaces, replacing dead and dying urban trees, and expanding tree cover in urban areas and communities.

(e) CHALLENGE COST-SHARE PROGRAM.—(1) IN GENERAL.—The Secretary shall establish an urban and community forestry challenge cost-share program. Funds or other support shall be provided under such program to eligible communities and organizations, on a competitive basis, for urban and community forestry projects. The Secretary shall annually make awards under the program in accordance with criteria developed in consultation with, and after consideration of recommendations received from, the National Urban and Community Forestry Advisory Council established under subsection (f). Such awards shall be consistent with the cost-share requirements of this section.

(2) Cost-sharing.—The Federal share of support for a project provided under this subsection may not exceed 50 percent of the support for that project and shall be provided on a matching basis. The non-Federal share of such support may be in the form of cash, services, or in-kind contributions, fairly valued.

(f) Forestry Advisory Council.—(1) Establishment and purpose.—The Secretary shall establish a National Urban and Community Forestry Advisory Council (hereafter in this section referred to as the "Council") for the purpose of—

(A) developing a national urban and community forestry action plan;

(B) evaluating the implementation of that plan; and

(C) developing criteria for, and submitting recommendations with respect to, the urban and community forestry challenge cost-share program under subsection (e).

(2) Composition and operation.—(A) The Council shall be composed of 15 members appointed by the Secretary, as follows:

(i) 2 members representing national nonprofit forestry and conservation citizen organizations,

(ii) 3 members, 1 each representing State, county, and city and town governments,

(iii) 1 member representing the forest products, nursery, or related industries,

(iv) 1 member representing urban forestry, landscape, or design consultants,

(v) 2 members representing academic institutions with an expertise in urban and community forestry activities,

(vi) 1 member representing State forestry agencies or equivalent State agencies,

(vii) 1 member representing a professional renewable natural resource or arboriculture society,

(viii) 1 member from the Extension Service,

(ix) 1 member from the Forest Service, and

(x) 2 members who are not officers or employees of any governmental body, 1 of whom is a resident of a community with a population of less than 50,000 as of the most recent census and both of whom have expertise and have been active in urban and community forestry.

(B) A vacancy in the Council shall be filled in the manner in which the original appointment was made.

(C) The Secretary shall select 1 member, from members appointed to the Council, who is not an officer or employee of the United States nor any State, county, city, or town government, who shall serve as the chairperson of the Council.

(D)(i) Except as provided in clauses (ii) and (iii) of this paragraph, members shall be appointed for terms of 3 years, and no member may serve more than two consecutive terms on the Council.

(ii) Of the members first appointed—

(I) 5, including the chairperson and 2 governmental employees, shall be appointed for a term of 3 years,

(II) 5, including 2 governmental employees, shall be appointed for a term of 2 years, and

(III) 5, including 2 governmental employees, shall be appointed for a term of 1 year, as designated by the Secretary at the time of appointment.

(iii) Any member appointed to fill a vacancy occurring before the expiration of the term of the member's predecessor shall be appointed only for the remainder of such term. A member may serve after the expiration of the member's term until the member's successor has taken office.

(E)(i) Except as provided in clause (ii) of this subparagraph, members of the Council shall serve without pay, but may be reimbursed for reasonable costs incurred while in the actual performance of duties vested in the Council.

(ii) Members of the Council who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Council.

(iii) The Secretary shall provide financial and administrative support for the Council.

(3) URBAN AND COMMUNITY FORESTRY ACTION PLAN.—Within 1 year after the date of enactment of this subsection and every 10 years thereafter, the Council shall prepare a National Urban and Community Forestry Action Plan. The plan shall include (but not be limited to) the following:

(A) An assessment of the current status of urban forest resources in the United States.

(B) A review of urban and community forestry programs and activities in the United States, including education and technical assistance activities conducted by the Forest Service, Extension Service, and other Federal agencies, the State forestry organizations, private industry, private nonprofit organizations, community and civic organizations and interested others.

(C) Recommendations for improving the status of the Nation's urban and community forest resources, including education and technical assistance and modifications required in existing programs and policies of relevant Federal agencies.

(D) A review of urban and community forestry research, including—

(i) a review of all ongoing research associated with urban and community forests, arboricultural practices, and the economic, social, and psychological benefits of trees and forest cover in urban and community environments being conducted by the Forest Service, other Federal agencies, and associated land grant colleges and universities;

(ii) recommendations for new and expanded research efforts directed toward urban and community forestry concerns; and

(iii) a summary of research priorities and an estimate of the funds needed to implement such research, on an annual basis, for the next 10 years.

(E) Proposed criteria for evaluating proposed projects under the urban and community forestry challenge cost share program under subsection (e), with special emphasis given to projects that would demonstrate the benefits of improved forest management (including the maintenance and establishment of forest cover and trees) in urban areas and communities.

(F) An estimate of the resources needed to implement the National Urban and Community Forestry Action Plan for the succeeding 10 fiscal years.

(4) Amendment of the plan.—The plan may be amended by a majority of the Council members. Such amendments shall be incorporated into the Council's annual review of the plan submitted to the Secretary pursuant to paragraph (5) of this subsection.

(5) Review of the plan.—The Council shall submit the plan to the Secretary and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate upon its completion. Beginning no later than one year after the plan is submitted and annually therafter, the Council shall submit a review of the plan to the Secretary no later than December 31. The review shall consist of—

(A) the Council's assessment of prior year accomplishments in research, education, technical assistance, and related activities in urban and community forestry;

(B) the Council's recommendations for research, education, technical assistance, and related activities in the succeeding year; and

(C) the Council's recommendations for the urban and community forestry challenge cost share projects to be funded during the succeeding year.

The review submitted to the Secretary shall be incorporated into the annual report of the Forest Service to the Congress under Section 3(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(d)).

(6) Detail of personnel.—Upon request of the Council, the Secretary is authorized to detail, on a reimbursable basis, any of the personnel of the Department of Agriculture to the Council to assist the Council in carrying out its duties under this Act.

(7) Inapplicability of the FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Council.

(g) Definitions.—For the purposes of this section—

(1) the term "Council" means the National Urban and Community Forestry Advisory Council established under subsection (f);

(2) the term "plan" means the National Urban and Community Forestry Action Plan developed under subsection (f)(3); and

(3) the term "urban and community area" includes cities, their suburbs, and towns.

(h) Authorization of Appropriations.—There are hereby authorized to be appropriated $30,000,000 for each of the fiscal years 1991 through 1995 for the implementation of subsections (c) through (g).

[(c)] *(h)* There are hereby authorized to be appropriated annually such sums as may be needed to implement this section.

RURAL FIRE PREVENTION AND CONTROL

Sec. 7 (a) * * *

(b) Notwithstanding the Federal Fire Prevention and Control Act of 1974, the Secretary is authorized, under whatever conditions the Secretary may prescribe, to—

(1) * * *

(2) provide financial, technical, and related assistance to State foresters or equivalent State officials, and through them to other agencies and individuals, for the prevention, control, suppression, and prescribed use of fires on non-Federal forest lands and other non-Federal lands; **[**and**]**

(3) provide financial, technical, and related assistance to State foresters or equivalent State officials in cooperative efforts to organize, train, and equip local firefighting forces, including those of Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas. As used herein, the term "rural areas" shall have the meaning set out in the first clause of section 306(a)(7) of the Consolidated Farm and Rural Development Act**[**.**]**; *and*

(4) provide financial, technical, and related assistance to State foresters or equivalent State officials, and through them to other agencies and individuals, including rural volunteer fire departments, to conduct preparedness and mobilization activities, including training, equipping, and otherwise enabling State and local firefighting agencies to respond to requests for fire suppression assistance.

* * * * * * *

(e)*(1)* There are hereby authorized to be appropriated annually such sums as may be needed to implement *paragraphs (1), (2), and (3) of* subsection (b) of this section.

(2)(A) There are hereby authorized to be appropriated annually $40,000,000 to carry out subsection (b)(4). Of the total amount appropriated to carry out this subsection—

(i) one-half shall be available only for State agencies administered by State foresters or equivalent State officials, and through them to other agencies and individuals, to enhance their firefighting capability and conduct mobilization activities, of which not less than $100,000 shall be made available to each State; and

(ii) one-half shall be available only for rural volunteer fire departments to conduct activities pursuant to subsection (b) (4).

(B) The Federal share of the cost of any activity carried out with funds made available pursuant to this paragraph may not exceed 50 percent of the cost of that activity. The non-Federal share for such activity may be in the form of cash, services, or in-kind contributions, fairly valued.

* * * * * * *

(g) As used in this Section—

(1) the term "rural volunteer fire department" means any organized, not for profit, fire protection organization that provides service primarily to a community or city with a population of 10,000 or less or to a rural area, as defined by the Secretary, whose firefighting personnel is 80 percent or more volunteer, and that is recognized as a fire department by the laws of the State; and

(2) the term "mobilization" means any activity in which one fire fighting organization assists another that has requested assistance.

* * * * * * *

CONSOLIDATED PAYMENTS

SEC. 9. (a) To provide flexibility in funding activities authorized under this Act, the Secretary may, upon the request of any State, consolidate the annual financial assistance payments to that State under this Act, in lieu of functional cost sharing mechansims, formulas, or agreements. However, consolidated payments shall not include money appropriated under section **[**4**]** *4A* of this Act or money from any special Treasury fund established under this Act.

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GENERAL PROVISIONS

SEC. 10. (a) * * *

* * * * * * *

[(c) Requirements for the development of State forest resources programs and State participation in management assistance, planning assistance, and technology implementation, the apportionment of funds among States participating under this Act, the administrative expenses in connection with activities and programs under this Act, and the amounts to be expended by the Secretary to assist non-State cooperators under this Act, shall be determined by the Secretary in consultation with a committee of not less than five State foresters or equivalent State officials selected by a majority of the State foresters or equivalent State officials from States participating in programs under this Act. However, the Secretary need not consult with such committee regarding funds to be expended under emergency conditions that the Secretary may determine.**]**

[(d)**]** *(c)* For the purposes of this Act—

(1) The terms "United States" and "State" shall include each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the territories and possessions of the United States;

(2) The term "forest resources" shall include esthetics, fish and wildlife, forage, outdoor recreation opportunities, timber, and water; and

(3) The term "urban forestry" means the planning, establishment, protection, and management of trees and associated plants, individually, in small groups, or under forest conditions within cities, their suburbs, and towns.

[(e)**]** *(d)* The Secretary may prescribe rules and regulations, as the Secretary deems appropriate, to implement the provisions of this Act.

[(f)**]** *(e)* The Secretary is authorized to make grants, agreements, contracts, and other arrangements the Secretary deems necessary to implement this Act.

[(g)**]** *(f)* This Act shall be construed as supplementing all other laws relating to the Department of Agriculture and shall not be construed as limiting or repealing any existing law or aurthority of the Secretary, except as specifically cited in section 13 of this Act.

SEC. 10A. STATE AND PRIVATE FORESTRY COORDINATING COMMITTEE; STATE ADVISORY COMMITTEES.

(a) State and Private Forestry Coordinating Committee—(1) Establishment.—The Secretary shall establish an intra-departmental committee, to be known as the State and Private Forestry Coordinating Committee (hereafter referred to in this section as the "Coordinating Committee") to coordinate forestry activities associated with the implementation of this Act.

(2) Composition.—The Coordinating Committee shall be composed of representatives, appointed by the Secretary, from the Agricultural Research Service, Agricultural Stablization and Conservation Service, Extension Service, Forest Service and Soil Conservation Service.

(3) Chairperson.—The Secretary shall designate the Chief of the Forest Service as chairperson of the Coordinating Committee.

(4) Duties.—The Coordinating Committee shall—

(A) provide assistance in directing and coordinating actions of the Department of Agriculture that relate to the educational, technical, and financial assistance available to private land owners for the protection and management of forest lands;

(B) clarify individual agency responsibilities concerning forest land, consistent with the legislative authorities of each agency represented on the Committee; and

(C) advise the Secretary to mediate and facilitate intradepartmental differences regarding the implementation of this Act, and any other Act related to the authority of the Secretary concerning non-Federal forest lands.

(b) State Advisory Committees.—(1) In general.—The Secretary, in consultation with the State forester or equivalent State official, shall establish a Forest Resources Stewardship Advisory Committee (hereafter in this section referred to as the "Advisory Committee") for each such State.

(2) Composition.—The Advisory Committee shall be chaired and administered by the State Forester, or equivalent State official, and shall be composed, to the extent practicable, of—

(A) representatives from the Forest Service, Soil Conservation Service, Agricultural Stablization and Conservation Service, and Extension Service;

(B) representatives, to be appointed by the State Forester, of forestry interests including—

(i) individuals that are representative of—

(I) local government;

(II) the forest products industry;

(III) forest land owners;

(IV) conservation organizations; and

(V) the State fish and wildlife agency; and

(ii) any other individuals determined appropriate by the Secretary.

(3) TERMS.—The members of the Advisory Committee appointed under subparagraph (B)(i)(II) shall serve 3-year terms, with the initial members serving staggered terms as determined by the Secretary, and may be reappointed for consecutive terms.

(4) EXISTING COMMITTEES.—Existing State forestry committees may be used to complement, formulate, or replace the Advisory Committees to avoid duplication of efforts if such existing committees are made up of membership that is similar to that described in subparagraph (B)(i)(II).

(5) DUTIES.—The Advisory Committee shall—

(A) consult with other Department of Agriculture and State committees that address State and private forestry issues;

(B) make recommendations to the Secretary concerning the assignment of priorities and the coordination of responsibilities for the implementation of this Act by the various Federal and State forest management agencies that take into consideration the mandates of each such agency; and

(C) make recommendations to the Secretary concerning the development of approved activities for cost-sharing pursuant to section 4A.

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FOREST AND RANGELAND RENEWABLE RESOURCES RESEARCH ACT OF 1978

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RESEARCH AUTHORIZATION

SEC. 3. (a) The Secretary is authorized to conduct, support, and cooperate in investigations, experiments, tests, and other activities the Secretary deems necessary to obtain, analyze, develop, demonstrate, and disseminate scientific information about protecting, managing, and utilizing forest and rangeland renewable resources in rural, suburban, and urban areas. The activities conducted, supported, or cooperated in by the Secretary under this Act shall include, but not be limited to the five major areas of renewable resource research identified in paragraphs (1) through (5) of this subsection.

(1) Renewable resource management research shall include, as appropriate, research activities related to managing, reproducing, planting, and growing vegetation on forests and rangelands for timber, forage, water, fish and wildlife, esthetics, recreation, wilderness, energy, production, activities related to energy conservation, and other purposes, *including activities for encouraging improved reforestation of forest lands from which timber has been harvested*; determining the role of forest and rangeland management in the productive use of forests and rangelands, in diversified agriculture, and in mining, transportation, and other industries; and developing alternatives for the management of forests and rangelands that will

make possible the most effective use of their multiple products and services.

* * * * * * *

(b)*(1)* To ensure the availability of adequate data and scientific information for development of the periodic Renewable Resource Assessment provided for in section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974, the Secretary of Agriculture shall make and keep current a comprehensive survey and analysis of the present and prospective conditions of and requirements for renewable resources of the forests and rangelands of the United States and of the supplies of such renewable resources, including a determination of the present and potential productivity of the land, and of such other facts as may be necessary and useful in the determination of ways and means needed to balance the demand for and supply of these renewable resources, benefits, and uses in meeting the needs of the people of the United States. The Secretary shall conduct the survey and analysis under such plans as the Secretary may determine to be fair and equitable, and cooperate with appropriate officials of each State and, either through them or directly, with private or other entities.

(2) In implementing this subsection, the Secretary is authorized to develop and implement improved methods of survey and analysis of forest inventory information, for which purposes there are hereby authorized to be appropriated annually $10,000,000.

* * * * * * *

(d) The Secretary is authorized to conduct, support, and cooperate in studies and other activities the Secretary deems necessary to—

(1) evaluate renewable resource management problems associated with urban-forest interface;

(2) assess effects of changes in Federal revenue codes on private forest management and investment; and

(3) develop improved delivery systems for information and technical assistance provided to private landowners.

* * * * * * *

[EFFECTIVE DATE

[SEC. 9. The provisions of this Act shall become effective October 1, 1978.]

SEC. 9. RECYCLING RESEARCH.

(a) FINDINGS.—Congress finds that—

(1) the United States is amassing vast amounts of solid wastes, which is presenting an increasing problem for municipalities in locating suitable disposal sites;

(2) a large proportion of these wastes consists of paper and other wood wastes;

(3) less than one-third of these paper and wood wastes are recycled;

(4) additional recycling would result in reduced solid waste landfill disposal and would contribute to a reduced rate of removal of standing timber from forest lands; and

(5) additional research is needed to develop technological advances to address barriers to increased recycling of paper and wood wastes and utilization of products consisting of recycled materials.

(b) Recycling Research Program.—The Secretary is authorized to conduct, support, and cooperate in an expanded wood fiber recycling research program, including the acquisition of necessary equipment. The Secretary shall seek to ensure that the program includes the cooperation and support of private industry and that program goals include the application of such research to industry and consumer needs.

(c) Authorization of Appropriations.—In addition to any other funds made available to implement section 3 of this Act, for the 5-year period beginning on October 1, 1990, there are authorized to be appropriated annually $10,000,000 to implement this section.

RENEWABLE RESOURCES EXTENSION ACT OF 1978

* * * * * * *

TYPES OF PROGRAMS: ELIGIBLE COLLEGES AND UNIVERSITIES

SEC. 3. (a) The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary"), under conditions the Secretary may prescribe and in cooperation with the State directors of cooperative extension service programs and eligible colleges and universities, shall—

(1) * * *

* * * * * * *

(7) help forest and range landowners in securing technical and financial assistance to bring appropriate expertise to bear on their problems; [and]

(8) help identify areas of needed research regarding renewable resources[.]*; and*

(9) in cooperation with State foresters or equivalent State officials, promote public understanding of the economic, social, environmental, and psychological values of trees and open space in urban and community area environments and expand knowledge of the ecological relationships and benefits of trees and related resources in urban and community environment.

* * * * * * *

NATIONAL RENEWABLE RESOURCES EXTENSION PROGRAM

SEC. 5. (a) The Secretary shall prepare a five-year plan for implementing this Act, which is to be called the "Renewable Resources Extension Program" and shall submit such plan to Congress no later than the last day of the first half of the fiscal year ending September 30, 1980, and the last day of the first half of each fifth fiscal year thereafter. The Renewable Resources Extension Program shall provide national emphasis and direction as well as guidance to State directors and administrative heads of extension for eligible colleges and universities in the development of their respective State renewable resources extension programs, which are to be appropriate in terms of the conditions, needs, and opportunities in each State. The Renewable Resources Extension Program shall contain, but not be limited to, brief outlines of general extension programs for fish and wildlife management (for both game and nongame species), range management, timber management (including brief outlines of general extension programs for timber utilization, timber harvesting, timber marketing, wood utilization, and wood products marketing), and watershed management (giving special attention to water quality protection), as well as brief outlines of general extension programs for recognition and enhancement of forest- and range-based outdoor recreation opportunities, [for planting and management of trees and forests in urban areas,] *for urban and community forestry activities,* and for planting and management of trees and shrubs in shelterbelts.

* * * * * * *

SECTION 5315 OF TITLE 5, UNITED STATES CODE

§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of baisc pay shall be the rate determined with respect to such level under chapter 11 of title 2, as adjusted by section 5318 of this title:

Deputy Administrator of General Services.

Associate Administrator of the National Aeronautics and Space Administration.

* * * * * * *

Director of the Office of Environmental Quality.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

* * * * * * *

AUTHORITY OF THE SECRETARY TO MAKE PAYMENTS OR GRANTS OF AID DIRECTLY TO FARMERS

SEC. 8. (a) * * *

(b) The Secretary is authorized to carry out the policy and purposes specified in section 7(a) of this Act by providing financial assistance to agricultural producers for carrying out enduring conservation (including energy conservation) and environmental enhancement measures *and other measures that enhance soil fertility and physical characteristics of the soil.* Eligibility for financial assistance shall be based upon the existence of a conservation or environmental problem which reduces the productive capacity of the Nation's land and water resources or causes degradation of environmental quality.

The amount of financial assistance to be provided shall be that portion of the cost of installing conservation and environmental enhancement measures which the Secretary determines is necessary. In determining the level of payment, consideration will be given to (A) the amount of expected conservation or environmental benefit accruing to society, (B) the total cost of carrying out the needed measures, (C) the degree to which appropriate conservation or pollution abatement practices will be applied in the absence of financial assistance, and (D) in order to avoid duplication of assistance, the degree to which the agricultural producer benefits from other public programs for conservation and environmental enhancement.

The Secretary may provide financial assistance to agricultural producers for the purpose of encouraging energy conservation by sharing the costs of and providing technical assistance for (1) the establishment, restoration, and better use of shelter belts to conserve energy on farmsteads and feed lots, (2) the establishment and use of minimum tillage systems, (3) the efficient storage and application of manure and other suitable wastes to the land for land fertility and soil improvement, (4) the use of integrated pest management, (5) the use of energy-efficient irrigation water management, and (6) such other land, water, and related resource management practices as the Secretary may determine to have significant energy-conserving effects.

The Secretary, in formulating the national program, shall take into consideration (A) the need to control erosion and sedimentation from agricultural land and to conserve the water resources on such land, (B) the need to control pollution from animal wastes, (C) the need to facilitate sound resources management systems through soil and water conservation, (D) the need to encourage voluntary compliance by agricultural producers with Federal and State requirements to solve point and nonpoint sources of pollution, (E) national priorities reflected in the National Environmental Policy Act of 1969 and other congressional and administrative actions, (F) the degree to which the measures contribute to the national objective of assuring a continuous supply of food and fiber necessary for the maintenance of a strong and healthy people and economy, and (G) the type of conservation measures needed to improve water quality in rural America.

In carrying out the provisions of this section in the States of the Union, except Alaska, and as otherwise directed by law with respect to other programs and functions, the Secretary is directed to utilize the services of local and State committees selected as hereinafter provided; and the Secretary may use the services of such committees in carrying out other programs and functions of the Department of Agriculture. The Secretary shall designate local administrative areas as units for administration of programs under this section. There shall be 3 local administrative areas in each county, except that, in counties with less than one hundred and fifty farmers, the county committee selected as hereinafter provided may reduce the number of local administrative areas to one, and except that the Secretary may include more than one county or parts of different counties in a local administrative area when the Secretary determines that there are insufficient farmers in an area to establish a slate of candidates for a local committee and hold an election. Notwithstanding the preceding sentence, there may be 1 local administrative area in any county for which there had been established less than 3 local administrative areas as of December 23, 1985. Notwithstanding the preceding sentence, there may be one local administrative area in any county for which there had been established less than three local administrative areas as of December 23, 1985. Each local administrative area shall have one local committee consisting of at least three members elected to three-year terms in a local election to be held every third year, except that there may be more than one local committee per administrative area in counties that, as of the date of enactment of the Food Security Act of 1985, have more than three local committees. Only one local administrative area shall hold an election in any given year in each county. Only farmers within a local administrative area who are producers who participate or cooperate in programs administered within their area shall be eligible for nomination and election to the local committee for that area. The meetings of a local committee shall be held on different days of the year. The members of the local committees shall, in a county convention, nominate and elect a county committee which shall consist of three members who are farmers in the county. At the first county convention held on or after the effective date of this sentence, one member of the county committee shall be elected for one year; one member shall be elected for two years; and one member shall be elected for three years. Thereafter, each member of a county committee shall be elected for a term of three years. No member of the county committee shall be elected for more than three consecutive terms (exclusive of any term which began prior to the effective date of this sentence). The local committees in each county shall (A) in a county in which there is more than one local committee, serve as advisors and consultants to the county committee; (B) periodically meet with the county committee and State committee to be informed on farm program issues; (C) communicate with producers within their communities on issues or concerns regarding farm programs; (D) report to the county committee, the State committee, and other interested persons on changes to, or modifications of, farm programs recommended by producers in their communities; and (E) perform such other functions as are required by law or as the Secretary may specify. The Secretary shall ensure that information concerning changes in Federal laws in effect with respect to agricultural programs and the administration of such laws are communicated in a timely manner to local committees in areas that contain agricultural producers who might be affected by such changes. The local committee shall select a secretary and may utilize the county agricultural extension agent for such purpose. The county committee shall select a secretary who may be the county agricultural extension agent. If such county agricultural extension agent shall not have been elected secretary of such committee, he shall be ex officio a member of the county committee. The county agricultural extension agent shall not have the power to vote. In any county in which there is only one local committee the local committee shall also be the county committee. In each State there shall be a State committee for the State composed of not less than three or more than five farmers who are legal residents of the State and who are appointed by the Secretary. The State director of the Agricultural Extension Service shall be ex officio a member of such State committee. The ex officio members of the county and State committees shall be in addition to the number of members of such committee, hereinbefore specified. The

Secretary shall make such regulations as are necessary relating to the selection and exercise of the functions of the respective committees, and to the administration, through such committees, of such programs. In carrying out the provisions of this section, the Secretary shall, as far as practicable, protect the interests of tenants and sharecroppers; is authorized to utilize the agricultural extension service and other approved agencies; shall accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing Acts of Congress and as will tend to promote efficient methods of marketing and distribution; shall not have power to acquire any land or any right of interest therein; shall. in every practicable manner, protect the interests of small producers; and shall in every practicable way encourage and provide for soil-conserving and soil-rebuilding practices rather than the growing of soil-depleting crops. Rules and regulations governing payments or grants under this subsection shall be as simple and direct as possible, and, wherever practicable, they shall be classified on two bases: (a) Soil-depleting crops and practices, (b) soil-building crops and practices.

Notwithstanding any other provision of law, in making available conservation materials consisting of seeds, seed inoculants, fertilizers, liming and other soil-conditioning materials, trees, or plants, or in making available soil-conserving or soil-building services or pollution prevention or abatement aids, to agricultural producers under this subsection, the Secretary may make payments in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or covering soil-conserving or soil-building services or pollution prevention or abatement aids, furnished to producers or who render services to the Secretary in delivering to producers approved conservation materials, for the carrying out, by the producers of soil-building or soil-conserving practices or pollution prevention or abatement practices approved by the Secretary. The price at which purchase orders for any conservation materials or services are filled may be limited to a fair price fixed in accordance with regulations prescribed by the Secretary.

Appropriations are hereby authorized for the purchase in advance of the program year for which the appropriation is made of seeds, fertilizers, lime, trees, or any other farming materials or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary in programs under this Act; for the reimbursement of any Federal, State, or local government agency for fertilizers, seeds, lime, trees, or other farming materials, or any soil-terracing services, furnished by such agency; and for the payment of al expenses necessary in making such grants, including all or part of the costs incident to the delivery thereof.

In carrying out the purposes of subsection (a) of section 7, the Secretary may enter into agreements with agricultural producers for periods not to exceed ten years, on such terms and conditions as the Secretary deems desirable, creating obligations in advance of appropriations not to exceed such amounts as may be specified in annual appropriation Acts. Such agreements (i) shall be based on conservation plans approved by the soil and water conservation district or districts in which the lands described in the agreements are situated, and (ii) may be modified or terminated by mutual consent if the Secretary determines such action would be in the public interest. The Secretary also may terminate agreements if he determines such action to be in the national interest and provides public notice in ample time to give producers a reasonable opportunity to make arrangements for appropriate changes in the use of their land.

* * * * * * *

(h) PLANTING OF LEGUMES.—(1) COST-SHARING.—The Secretary is authorized to enter into agreements with producers on farms to provide 50 percent cost-sharing assistance for the costs of establishing short-term stands of soil-building legumes and legume-grass mixtures on harvested or reduced acres when applying a resource-conserving crop rotation, except when planted on acres on which farm program payments are received.

(2) DEFINITION.—As used in this subsection—

(i) the term "legumes" means forage legumes, such as alfalfa or clover, and any legume grown for use as a forage or green manure and does not include any bean crop from which the seeds are harvested;

(ii) the term "grasses" shall include perennial grasses commonly used for haying or grazing;

(iii) "short-term stands of soil building legumes or legume-grass mixtures" shall include those maintained for at least one full growing season, but not more than 2 years.

(3) OTHER LAND.—Producers shall not be ineligible under this subsection solely because they plant on land eroding at rates less than the tolerable rate.

(4) DISQUALIFICATION.—Assistance may be denied under this subsection if the local Soil Conservation Service office determines that due to the presence of soil nitrates planting of the legume will result in excessive leaching of nitrates into groundwater.

(5) HERBICIDES.—Herbicide purchase and applications shall be ineligible for assistance under this subsection.

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LIMITATION ON OBLIGATIONS INCURRED

SEC. 16. (a) * * *

GREAT PLAINS CONSERVATION PROGRAM

(b) Not withstanding any other provision of law—

(1) the Secretary is authorized, within the amounts of such appropriations as may be provided therefor, to enter into contracts of not to exceed ten years with owners and operators of land in the Great Plains area having such control as the Secretary determines to be needed of the farms, ranches, or other lands covered thereby; but such contracts shall be entered into with respect to lands other than farms or ranches, only where erosion is so serious as to make such contracts necessary for the protection of farm or ranch lands. Such contracts shall be

designed to assist farm, ranch, or other land owners or operators to make, in orderly progression over a period of years, changes in their cropping systems or land uses which are needed to conserve, develop, protect, and utilize the soil and water resources of their farms, ranches, and other lands to install the soil and water conservation measures and carry out the practices needed under such changed systems and uses. Such contracts may be entered into during the period ending not later than September 30, [1991] *2001;* with respect to farms, ranches, and other lands in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind or water erosion by reason of their soil types, terrain, and climatic, soil, topgraphic, flood, saline, other natural hazards, and other factors. The landowner or operator shall furnish to the Secretary a plan of farming operations or land use which incorporates such soil and water conservation practices and principles as may be determined by him to be practicable for maximum mitigation of climatic, soil, topographic, flood, saline, and other natural hazards of the area in which such land is located, and which outlines a schedule of proposed changes in cropping systems or land use and of the conservation measures which are to be carried out on the farm, ranch, or other land during the contract period to protect the farm, ranch, or other land from erosion and deterioration by natural causes. Such plan may also include practices and measures for (a) enhancing fish and wildlife and recreation resources, (b) promoting the economic use of [land, and (c)] *land, (c) enhancing water quality, and (d)* reducing or controlling agricultural related pollution. Inclusion in the farm plan of these practices shall be the exclusive decision of the land owner or operator. Approved conservation plans of land owners and operators developed in cooperation with the soil and water conservation district in which their lands are situated shall form a basis for contracts. Under the contract the land owner or operator shall agree—

(i) to effectuate the plan for his farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to paragraph (3) of this subsection;

(ii) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board, determines that such violation is of such nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the violation by the owner or operator does not warrant termination of the contract;

(iii) upon transfer of his right and interest in the farm, ranch, or other land during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

(iv) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

(v) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

In return for such agreement by the landowner or operator the Secretary shall agree to share the cost of carrying out those conservation practices and measures set forth in the contract for which he determines that cost sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the physical installation of the conservation practices and measures under the contract;

* * * * * * *

(7) there is hereby authorized to be appropriated, without fiscal year limitations, such sums as may be necessary to carry out this subsection: *Provided,* That the total cost of the program (excluding administrative costs) shall not exceed **[**$600,000,000,**]** *$900,000,000,* and for any program year payments shall not exceed $50,000,000. The funds made available for the program under this subsection may be expended without regard to the maximum payment limitation and small payment increases required under section 8(e) of this Act, and may be distributed among States without regard to distribution of funds formulas of section 15 of this Act. The program authorized under this subsection shall be in addition to, and not in substitution of, other programs in such area authorized by this or any other Act.

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SECTION 3 OF THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT

SEC. 3. In order to assist local organizations in preparing and carrying out plans for works of improvements, the Secretary is authorized, upon application of local organizations if such application has been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over programs provided for in this Act, or by the Governor if there is no State agency having such responsibility—

(1) * * *

* * * * * * *

(6) to enter into agreements with landowners, operators, and occupiers, individually or collectively, based on conservation plans of such landowners, operators, and occupiers which are developed in cooperation with and approved by the soil and water conservation district in which the land described in the agreement is situated, to be carried out on such land during a period of not to exceed ten years, providing for changes in cropping systems and land uses and for the installation of soil and water conservation practices and measures needed to conserve and develop *and enhance the water quality of* the soil, water, woodland, wildlife, energy, and recreation resources of lands within the area included in plans for works of improvement, as provided for in such plans, including watershed or subwatershed work plans in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented. Applications for assistance in developing such conservation plans shall be made in writing to the soil and water conservation district involved, and the proposed agreement shall be reviewed by such district. In return for such agreements by landowners, operators, and occupiers the Secretary shall agree to share the costs of carrying out those practices and measures set forth in the agreement for which he determines that cost sharing is appropriate and in the public interest. The portion of such costs, including labor, to be shared shall be that part which the Secretary determines is appropriate and in the public interest for the carrying out of the practices and measures set forth in the agreement, except that the Federal assistance shall not exceed the rate of assistance for similar practices and measures under existing national programs. The Secretary may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modifications of agreements, previously entered into hereunder, as he deems desirable to carry out the purposes of this paragraph or to facilitate the practical administration of the agreements provided for herein. Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this paragraph, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of any crop; or (2) surrender of any such history and allotments.

FEDERAL NOXIOUS WEED ACT OF 1974

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SEC. 15. MANAGEMENT OF UNDESIRABLE PLANTS ON FEDERAL LANDS.

(a) Duties of Agencies.—Each Federal agency shall—

(1) designate an office or person adequately trained in the management of undesirable plant species to develop and coordinate an undesirable plants management program for control of undesirable plants on Federal lands under the agency's jurisdiction;

(2) establish and adequately fund an undesirable plants management program through the agency's budgetary process;

(3) complete and implement cooperative agreements with State agencies regarding the management of undesirable plant species on Federal lands under the agency's jurisdiction; and

(4) establish integrated management systems to control or contain undesirable plant species targeted under cooperative agreements.

(b) Environmental Impact Statements.—In the event an environmental assessment or environmental impact statement is required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to implement plant control agreements, Federal agencies shall complete such assessments or statements within 1 year after the requirement for such assessment or statement is ascertained.

(c) Cooperative Agreements With State Agencies.—(1) In general.—A Federal agency shall enter into cooperative agreements with State agencies to coordinate the management of undesirable plant species on Federal lands.

(2) Contents of plan.—A cooperative agreement entered into pursuant to paragraph (1) shall—

(A) prioritize and target undesirable plant species or group of species to be controlled or contained within a specific geographic area;

(B) describe the integrated management system to be used to control or contain the targeted undesirable plant species or group of species; and

(C) detail the means of implementing the integrated management system, define the duties of the Federal agency and the State agency in prosecuting that method and establish a timeframe for the initiation and completion of the tasks specified in the integrated management system.

(d) Exception.—This section does not require a Federal agency to carry out programs on Federal lands if there are no such programs being implemented on State or private lands.

(e) Definitions.—As used in this section:

(1) Cooperative agreement.—The term "Cooperative Agreement" means a written agreement between a Federal agency and a State agency entered into pursuant to this section.

(2) Federal agency.—The term "Federal agency" means a department, agency, or bureau of the Federal Government responsible for administering or managing Federal lands under its jurisdiction.

(3) Federal lands.—The term "Federal lands" means lands managed by or under the jurisdiction of the Federal Government.

(4) Integrated management system.—The term "integrated management systems" means a system for the planning and implementation of a program, using an interdisciplinary approach, to select a method for containing or controlling an undesirable plant species or group of species using all available methods, including—

(A) education;

(B) preventive measures;

(C) physical or mechanical methods;

(D) biological agents;

(E) herbicide methods;

(F) cultural methods; and

(G) general land management practices such as manipulation of livestock or wildlife grazing strategies or improving wildlife or livestock habitat.

(5) Interdisciplinary approach.—The term "interdisciplinary approach" means an approach to making decisions regarding the containment or control of an undesirable plant species or group of species, which—

(A) includes participation by personnel of Federal or State agencies with experience in areas including weed science, range science, wildlife biology, land management, and forestry; and

(B) includes consideration of—

(i) the most efficient and effective method of containing or controlling the undesirable plant species;

(ii) scientific evidence and current technology;

(iii) the physiology and habitat of a plant species; and

(iv) the economic, social, and ecological consequences of implementing the program.

(6) State agencies.—The term "State agency" means a State department of agriculture, or other State agency or political subdivision thereof, responsible for the administration or implementation of undesirable plants laws of a State.

(7) Undesirable plant species.—The term "undesirable plants" means plant species that are classified as undesirable, noxious, exotic, injurious, or poisonous, pursuant to State or Federal law. Designation of undesirable plants under this section is limited by the Endangered Species Act, and shall not include plants indigenous to an area where control measures are to be taken under this section.

(f) Direction to Secretary.—The Secretary of Agriculture shall exercise the authority granted in this Act to control the spread of undesirable plants as a result of transporting seeds or commodities to or from Federal lands.

FOOD STAMP ACT OF 1977

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DEFINITIONS

Sec. 3. As used in this Act, the term:

(a) * * *

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(c) "Certification period" means the period for which households shall be eligible to receive authorization cards. For those households that are required to submit periodic reports under section 6(c)(1) of this Act, the certification period shall be at least six months but no longer than twelve months except that the foregoing limits on the certification period may, with the approval of the Secretary, be waived by a State agency for certain categories of households where such waiver will improve the administration of the program. For households that are to required to submit periodic reports, the certification period shall be determined as follows:

(1) In the case of a household all of whose members are included in a federally aided public assistance or general assistance grant, the period shall coincide with the period of such grant.

(2) In the case of all other households, the period shall be not less than three months: *Provided,* That such period may be up to twelve months for any household consisting entirely of unemployable or elderly or primarily self-employed persons, or *(except in the case of households in which all members are homeless individuals)* as short as circumstances require for those households as to which there is a substantial likelihood of frequent changes in income or household status, and for any household on initial certification, as determined by the Secretary. The maximum limit of twelve months for such period under the foregoing proviso may be waived by the Secretary where such waiver will improve the administration of the program.

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(g) "Food" means (1) any food or food product for home consumption except alcoholic beverages, tobacco, and hot foods or hot food products ready for immediate consumption other than those authorized pursuant to clauses (3), (4), (5), (7), (8), and (9) of this subsection, (2) seeds and plants for use in gardens to produce food for the personal consumption of the eligible household, (3) in the case of those persons who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act, and their spouses, meals prepared by and served in senior citizens' centers, apartment buildings occupied primarily by such persons, public or private nonprofit establishments (eating or otherwise) that feed such persons, private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices, and meals prepared for and served to residents of federally subsidized housing for the elderly, (4) in the case of persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise so disabled that they are unable adequately to prepare all of their meals, meals prepared for and delivered to them (and their spouses) at their home by a public or private nonprofit organization or by a private establishment that contracts with the appropriate State agency to perform such services at concessional prices, (5) in the case of narcotics addicts or alocholics served by drug addiction or alcoholic treatment and rehabilitation programs, meals prepared and served under such programs, (6) in the case of certain eligible households living in Alaska, equipment for procuring food by hunting and fishing, such as nets, hooks, rods, harpoons, and knives (but not equipment for purposes of transportation, clothing, or shelter and not firearms, ammunition, and explosives) if the Secretary determines that such households are located in an area of the State where it is extremely difficult to reach stores selling food and that such households depend to a substantial extent upon hunting and fishing for subsistence, (7) in the case of disabled or blind recipients of benefits under title II or title XVI of the Social Secuirty Act who are residents in a public or private nonprofit group living arrangement that serves no more than sixteen residents and is certified by the appropriate State agency or agenices under regulations issued under section 1616(e) of the Social Security Act, meals prepared and served under such arrangement, (8) in the case of women and children temporarily residing in public or private nonprofit shelters for battered women and children, meals prepared and served, by such shelters, and (9) in the case of households that do not reside in permanent dwellings and households that have no fixed mailing addresses, meals prepared for and served by **[**a public or private nonprofit establishment (approved by an appropriate State or local agency) that feeds such individuals and by a public or private nonprofit shelter (approved by an appropriate State or local agency) in which such households temporarily reside (except that such establishments and shelters may only request voluntary use of food stamps by such individuals and may not request such households to pay more than the average cost of the food contained in a meal served by the establishment or shelter).**]** *private establishments that contract with the appropriate agency of the State to offer meals for such persons at concessional prices.*

* * * * * * *

(i) "Household" means (1) an individual who lives alone or who, while living with others, customarily purchases food and prepares meals for home consumption separate and apart from the others, *or* (2) a group of individuals who live together and customarily purchase food and prepare meals together for home consumption**[**, or (3) a parent of minor children and that parent's children (notwithstanding the presence in the home of any other persons, including parents and siblings of the parent with minor children) who customarily purchase food and prepare meals for home consumption separate from other persons, except that the certification of a household as a separate household under this clause shall be reexamined no less frequently than once every 6 months; except that (other than as provided in clause (3)) parents and children, or siblings,**]**. *Parents and their minor children who live together and spouses* who live together shall be treated as a group of individuals who customarily purchase and prepare meals together for home consumption even if they do not do so**[**, unless one of the parents or siblings is an elderly or disabled member**]**. Notwithstanding clause (1) of the preceding sentence, an individual who lives with others, who is sixty years of age or older, and who is unable to purchase food and prepare meals because such individual suffers, as certified by a licensed physician, from a disability which would be considered a permanent disability under section 221(i) of the Social Security Act (42 U.S.C. 421(i)) or from a severe, permanent, and disabling physical or mental infirmity which is not symptomatic of a disease shall be considered, together with any of the others who is the spouse of such individual, an individual household, without regard to the purchase of food and preparation of meals, if the income (as determined under section 5(d)) of the others, excluding the spouse, does not exceed the poverty line, as described in section 5(c)(1), by more than 65 per centum. In no event shall any individual or group of individuals constitute a household if they reside in an institution or boarding house, or else live with others and pay compensation to the others for meals. For the purposes of this subsection, residents of federally subsidized housing for the elderly, disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that serves no more than sixteen residents and is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act, temporary residents of public or private nonprofit shelters for battered women and children, residents of public or private nonprofit shelters for individuals who do not reside in permanent dwellings or have no fixed mailing addresses, who are otherwise eligible for coupons, and narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution, or a publicly operated community mental health center, for the purpose of regular participation in a drug or alcoholic treatment program shall not be considered residents of institutions and shall be considered individual households.

* * * * * * *

(o) "Thrifty food plan" means the diet required to feed a family of four persons consisting of a man and a woman twenty through fifty, a child six through eight, and a child nine through eleven years of age, determined in accordance with the Secretary's calculations. The cost of such diet shall be the basis for uniform allotments for all households regardless of their actual composition, except that the Secretary shall (1) make household-size adjustments (based on the unrounded cost of such diet) taking into account economies of scale, (2) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska, (3) make cost adjustments in the separate thrifty food plans for Guam, and the Virgin Islands of the United States to reflect the cost of food in those States, but not to exceed the cost of food in the fifty States and the District of Columbia, [(4) through January 1, 1980, adjust the cost of such diet every January 1 and July 1 to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the six months ending the preceding September 30 and March 31, respectively, (5) on January 1, 1981, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30, (6) on October 1, 1982, adjust the cost of such diet to reflect changes in the cost of the thrifty food plan for the twenty-one months ending June 30, 1982, reduce the cost of such diet by 1 per centum, and round the result to the nearest lower dollar increment for each household size, (7) on October 1, 1983, and October 1, 1984, adjust the cost of such diet to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30, reduce the cost of such diet by 1 per centum, and round the result to the nearest lower dollar increment for each household size, (8) on October 1, 1985, and each October 1 thereafter through October 1, 1987, adjust the cost of such diet to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30 and round the result to the nearest lower dollar increment for each household size, (9) on October 1, 1988, adjust the cost of such diet to reflect 100.65 percent of the cost of the thrifty food plan in the preceding June, and round the result to the nearest lower dollar increment for each household size, (10) on October 1, 1989, adjust the cost of such diet to reflect 102.05 percent of the cost, in the preceding June (without regard to the adjustment made under clause (9)), of the then recent thrifty food plan as determined by the Secretary or the cost of the thrifty food plan in effect on the date of enactment of the Hunger Prevention Act of 1988 [September 19, 1988], whichever is greater, and round the result to the nearest lower dollar increment for each household size, and (11) on October 1, 1990, and each October 1 thereafter, adjust the cost of such diet to reflect 103 percent of the cost, in the preceding June (without regard to any previous adjustment made under clause (9), (10), or this clause), of the then most recent thrifty food plan as determined by the Secretary or the cost of the thrifty food plan in effect on the date of enactment of the Hunger Prevention Act of 1988, whichever is greater, and round the result to the nearest lower dollar increment for each household size.**]** *(4) on October 1, 1990, adjust the cost of such diet to reflect 103 percent of the cost of the thrifty food plan in the preceding June, as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, (5) on October 1, 1991, adjust the cost of such diet to reflect 103 and one-third percent of the cost of the thrifty food plan in the preceding June (without regard to the adjustment made under clause (4)), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, (6) on October 1, 1992, adjust the cost of such diet to reflect 103 and two-thirds percent of the cost of the thrifty food plan in the preceding June (without regard to any previous adjustments made under clauses (4) and (5)), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, (7) on October 1, 1993, adjust the cost of such diet to reflect 104 percent of the cost of the thrifty food plan in the preceding June (without regard to any previous adjustments made under clauses (4), (5) and (6)), as determined by the Secretary, and round the result to the nearest lower dollar increment for each household size, and (8) on October 1, 1994, and every October 1 thereafter, adjust the cost of such diet to reflect 105 percent of the cost of the thrifty food plan in the preceding June, (without regard to any previous adjustments made under clauses (4), (5), (6), (7) or this clause) as determined by the Secretary,* *and round the result to the nearest lower dollar increment for each household size: Provided: That, in adjusting the cost of such diet in Alaska and Hawaii to reflect the cost of the thrifty food plan in the preceding June, the Secretary shall, in any year in which the cost of the thrifty food plan in June is not available for Alaska and Hawaii, use the average cost of such plan in Alaska and Hawaii, respectively, for the six-month period ending in June, adjusted by a percentage equal to the average percentage difference, for all years in which the monthly cost of the thrifty food plan is available for Alaska and Hawaii, between the cost of such plan in June and the average of the monthly cost of such plan for the six-month period ending in June.*

* * * * * * *

(t) "Access device" means any card, plate, code, account number, or other means of access of a type that is used under this Act or regulations issued pursuant to this Act, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or to initiate a transfer of funds.

* * * * * * *

ELIGIBLE HOUSEHOLDS

SEC. 5. (a) Participation in the food stamp program shall be limited to those households whose incomes and other financial resources, held singly or in joint ownership, are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Notwithstanding any other provisions of this act except sections 6(b), 6(d)(2), and 6(g) and the third sentence of section 3(i), and beginning on the date of the enactment of the Food Security Act of 1985, households in which each member receives benefits under a State plan approved under part A of title IV of the Social Security Act, supplemental security income benefits under title XVI of the Social Security Act, [or] aid to the aged, blind, or disabled under title I, X, XIV, or XVI of the Social Security Act, *or a State general assistance program that the Secretary certifies serves a population appropriate to be categorically eligible for assistance under this Act,* shall be eligible to participate in the food stamp program. Assistance under this program shall be furnished to all eligible households who make application for such participation.

* * * * * * *

(d) Household income for purposes of the food stamp program shall include all income from whatever source excluding only (1) any gain or benefit which is not in the form of money payable directly to a household (notwithstanding its conversion in whole or in part to direct payments to households pursuant to any demonstration project carried out or authorized under Federal law including demonstration projects created by the waiver of provisions of Federal law), except as provided in subsection (k), (2) any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, but not in excess of $30 in a quarter, subject to modification by the Secretary in light of section 5(f) of this Act, (3) all educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like *(A)* to the extent that they are used for tuition and mandatory school fees [at an institution of post-secondary education or school for the handicapped, and] *(including the rental or purchase of any equipment, materials, and supplies required to pursue the course of study involved) at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof, (B) to the extent that they do not exceed the amount made available as an allowance determined by such school, institution, or program, for books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses), of the student incidental to attending such school, institution, or program, and (C)* to the extent loans include any origination fees and insurance premiums, (4) all loans other than educational loans on which repayment is deferred, (5) reimbursements which do not exceed expenses actually incurred and which do not represent a gain or benefit to the household *and any allowance a State agency provides no more frequently than annually to families with children on the occasion of those children's entering or returning to school or child care for the purpose of obtaining school clothes: Provided.* That no portion of benefits provided under title IV–A of the Social Security Act, to the extent it is attributable to an adjustment for work-related or child care expenses (except for payments or reimbursements for such expenses made under an employment, education, or training program initiated under such title after the date of enactment of the Hunger Prevention Act of 1988), *and* no portion of any [non-Federal] educational loan on which payment is deferred, grant, scholarship, fellowship, veterans' benefits, and the like that are provided for living expenses, [and no portion of any Federal educational loan on which payment is deferred, grant, scholarship, fellowship, veterans' benefits, and the like to the extent it provides income assistance beyond that used for tuition and mandatory school fees,] shall be considered such reimbursement, *and any allowance a State agency provides no more frequently than annually to families with children on the occasion of those children's entering or returning to school or child care for the purpose of obtaining school clothes,* (6) moneys received and used for the care and maintenance of a third-party beneficiary who is not a household member, (7) income earned by a child who is a member of the household, who is [a student,] *an elementary or secondary student* and who has not attained [his eighteenth birthday] *the age of nineteen,* (8) moneys received in the form of nonrecurring lump-sum payments, including, but not limited to, income tax refunds, rebates, or credits, cash donations based on need that are received from one or more private nonprofit charitable organizations, but not in excess of $300 in the aggregate in a quarter, retroactive lump-sum social security or railroad retirement pension payments and retroactive lump-sum insurance settlements: *Provided,* That such payments shall be counted as resources, unless specifically excluded by other laws, (9) the cost of producing self-employed income, but household income that otherwise is included under this subsection shall be reduced by the extent that the cost of producing self-employment income exceeds the income derived from self-employment as a farmer, (10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the food stamp program except as otherwise provided in subsection (k) of this section, (11) any payments or allowances made for the purpose of providing energy assistance (A) under any Federal law, or (B) under any State or local laws, designated by the State or local legislative body authorizing such payments or allowances as energy assistance, and determined by the Secretary to be calculated as if provided by the State or local government involved on a seasonal basis for an aggregate period not to exceed six months in any year even if such payments or allowances (including tax credits) are not provided on a seasonal basis because it would be administratively infeasible or impracticable to do so, (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under title II or XVI of the Social Security Act (42 U.S.C. 401 et seq.), section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the househould was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the first month in which the adjustment was effective, (13) **[**at the option of a State agency and subject to subsection (m),**]** *(A)* child support payments that are excluded under section 402(a)(8)(A)(vi) of the Social Security Act (42 U.S.C. 602(a)(8)(A)(vi) *and (B) the first $50 of any child support payments for such month received in that month, and the first $50 of child support payments for each prior month received in that month if such payments were made by the absent parent in the month when due,* (14) any payment made to the household under section 3507 of the Internal Revenue Code of 1986 (relating to advance payment of earned income credit), and (15) any payment made to the household under section 6(d)(4)(I) for work related expenses or for dependent care.

(e) In computing household income for purposes of determining eligibility and benefit levels for households containing an elderly or disabled member and determining benefit levels only for all other households, the Secretary shall allow a standard deduction of $85 a month for each household, except that households in Alaska, Hawaii, Guam, and the Virgin Islands of the United States shall be allowed a standard deduction of $145, $120, $170, and $75, respectively. Such standard deductions shall be adjusted (1) on October 1, 1983, to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food and the homeowners' costs and maintenance and repair component of shelter costs, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the fifteen months ending the preceding March 31, (2) on October 1, 1984, to the nearest lower dollar increment to reflect such changes for the fifteen months ending the preceding June 30, (3) on October 1, 1985, and October 1, 1986, to the nearest lower dollar increment to reflect such changes for the twelve months ending the preceding June 30, and (4) on October 1, 1987, and each October 1 thereafter, to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the twelve months ending the preceding June 30. All households with earned income shall be allowed an additional deduction of 20 per centum of all earned income (other than that excluded by subsection (d) of this section), to compensate for taxes, other mandatory deductions from salary, and work expenses, except that such additional deduction shall not be allowed with respect to earned income that a household willfully or fraudulently fails (as proven in a proceeding provided for in section 6(b)) to report in a timely manner. Households, other than those households containing an elderly or disabled member, shall also be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, *amounts made available and excluded for such expenses under subsection (d)(3),* and expenses that are paid under section 6(d)(4)(I) for dependent care, to (1) a dependent care deduction, the maximum allowable level of which shall be [$160 a month for each dependent,] *$200 a month for each dependent child under age 2 and $175 a month for each other dependent* for the actual cost of payments necessary for the care of a dependent[, regardless of the dependent's age,] when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment and (2) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed[: *Provided,* That the amount of such excess shelter expense deduction shall not exceed $164 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States $285, $234, $199, and $121 a month, respectively, adjusted on October 1, 1988, and on each October 1 thereafter, to the nearest lower dollar increment to reflect changes in the shelter, fuel, and utilities components of housing costs in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the twelve months ending the preceding June 30]. *Such excess shelter expense deduction, in the twelve months ending September 30, 1991, shall not exceed $219 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $380, $312, $265, and $161 a month, respectively; in the twelve months ending September 30, 1992, shall not exceed $234 a month in the 48 contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $406, $333, $283, and $172 a month, respectively; and in the twelve months ending September 30, 1993, shall not exceed $283 a month in the 48 contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $491, $403, $343, and $208 a month, respectively.* In computing the excess shelter expense deduction under clause (2) of the preceding sentence, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations. An allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense, as the case may be, or does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households, with regard to such expense, only for excess utility costs. No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both. If a State agency elects to use a standard utility allowance that reflects heating or cooling costs, it shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, provided that the household still incurs out-of-pocket heating or cooling expenses. A State agency may use a separate standard utility allowance for households on behalf of which such payment is made, but may not be required to do so. A State agency not electing to use a separate allowance, and making a single standard utility allowance available to households incurring heating or cooling expenses (other than households described in the sixth sentence of this subsection) may not be required to reduce such allowance due to the provision (direct or indirect) of assistance under the Low-Income Home Energy Assistance Act of 1981. For purposes of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 shall be considered to be prorated over the entire heating or cooling season for which it was provided. A State agency shall allow a household to switch between any standard utility allowance and a deduction based on its actual utility costs at the end of any certification period and up to one additional time during each twelve-month period. Households containing an elderly or disabled member shall also be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to—

(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by elderly or disabled members, exclusive of special diets, that exceed $35 a month;

(B) a dependent care deduction, the maximum allowable level of which shall be the same as that contained in clause (1) of the fourth sentence of this subsection, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.

State agencies shall offer eligible households a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction provided for in subparagraph (A), in lieu of submitting information or verification on actual expenses on a monthly basis. The method described in the preceding sentence shall be designed to minimize the administrative burden for eligible elderly and disabled household members choosing to deduct their recurrent medical expenses pursuant to such method *and shall not require further verification of a change in medical expenses if such change has been anticipated by the State agency for the certification period.*

(f)(1) * * *

[(2)(A) Households not required to submit monthly reports of their income and household circumstances under section 6(c)(1) shall have their income calculated on a prospective basis, as provided in paragraph (3)(A).

[(B) Households required to submit monthly reports of their income and household circumstances under section 6(c)(1) shall have their income calculated on a retrospective basis, as provided in paragraph (3)(B), except that in the case of the first month, or at the option of the State the first and second months, in a continuous period in which a household is certified, the State agency shall determine the amount of benefits on the basis of the household's income and other relevant circumstances in such first or second month.]

(2)(A) Except as provided in subparagraphs (B), (C), and (D), households shall have their incomes calculated on a prospective basis, as provided in paragraph (3)(A), or, at the option of the State agency, on a retrospective basis, as provided in paragraph (3)(B).

(B) In the case of the first month, or at the option of the State, the first and second months in a continuous period in which a household is certified, the State agency shall determine eligibility and the amount of benefits on the basis of the household's income and other relevant circumstances in such period.

(C) Households specified in section 6(c)(1)(A) (i), (ii), and (iii) shall have their income calculated on a prospective basis, as provided in paragraph (3)(A).

(D) Except as provided in subparagraph (B), households required to submit monthly reports of their income and household circumstances under section 6(c)(1) shall have their income calculated on a retrospective basis, as provided in paragraph (3)(B).

(3)(A) Calculation of household income on a prospective basis is the calculation of income on the basis of the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined. Such calculation shall be made in accordance with regulations prescribed by the Secretary which shall provide for taking into account both the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined and the income received by the household during the preceding thirty days.

(B)(i) Calculation of household income on a retrospective basis is the calculation of income for the period for which eligibility or benefits are being determined on the basis of income received in a previous period. Such calculation shall be made in accordance with regulations prescribed by the Secretary which may provide for the determination of eligibility on a prospective basis in some or all cases in which benefits are calculated under this paragraph. [Such regulations shall provide for supplementing the initial allotments of newly applying households in those cases in which the determination of income under this paragraph causes serious hardship.] *No household shall have its food stamp allotment for any month based upon income received in two or more separate months under titles IV or XVI of the Social Security Act or a State or local general assistance program.*

(ii) The State shall establish and implement a procedure for the prompt adjustment of benefits for households suffering a severe hardship. This procedure shall provide that households not required to submit monthly reports of their income and circumstances under section 6(c)(1), whose income is calculated on a retrospective basis, as provided in this subparagraph, and who report (I) an increase in household size, (II) a decrease of $50 or more in household income not excluded under subsection 5(d), or (III) an increase of $50 or more in shelter costs, dependent care costs, or medical costs, shall receive benefits that reflect the reported change not later than the first monthly allotment issued to the household 10 or more days after the report of the change. If the first monthly allotment issued to the household after the report of the change is scheduled to be issued less than 10 days after the report of the change, a supplementary allotment shall be issued not later than the tenth day of the month following the report of the change.

* * * * * * *

(g)*(1)* The Secretary shall prescribe the types and allowable amounts of financial resources (liquid and nonliquid assets) an eligible household may own, and shall, in so doing, assure that a household otherwise eligible to participate in the food stamp program will not be eligible to participate if its resources exceed $2,000, or, in the case of a household which consists of or includes [a member who is 60 years of age or older,] *an elderly or disabled member,* if its resources exceed $3,000. *(2)* The Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources), and shall, in addition, include in financial resources any boats, snowmobiles, and airplanes used for recreational purposes, any vacation homes, any mobile homes used primarily for vacation purposes, any licensed vehicle (other than one used to produce earned income or that is necessary for transportation of a physically disabled household member and any other property, real or personal, to the extent that it is directly related to the maintenance or use of such vehicle) used for household transportation or used to obtain or continue employment to the extent that the fair market value of any such vehicle exceeds [$4,500] *a level set by the Secretary, which shall be $4,500 through December 31, 1991, $4,750 from January 1, 1992, through September 30, 1992, $5,000 for fiscal year 1993, $5,250 for fiscal year 1994, and $5,500 for fiscal year 1995, and which shall be adjusted on October 1, 1995, and on each October 1 thereafter, to* *reflect changes in the index determined by the Secretary to be most reasonable*, and, regardless of whether there is a penalty for early withdrawal, any savings or retirement accounts (including individual accounts). The Secretary shall exclude from financial resources the value of a burial plot for each member of a household *and nonliquid resources necessary to allow the household to carry out a plan for self-sufficiency approved by the State agency as constituting adequate participation in an employment and training program under section 6(d)(4)(B)(vi).* In the case of farm property (including land, equipment, and supplies) that is essential to the self-employment of a household member in a farming operation, the Secretary shall exclude from financial resources the value of such property until the expiration of the 1-year period beginning on the date such member ceases to be self-employed in farming. *The Secretary shall promulgate rules by which State agencies shall develop standards for identifying kinds of resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is so slight or because the cost of selling the household's interest would be so great. Resources so identified shall be excluded as inaccessible resources. The Secretary shall exclude from financial resources the value of a vehicle that a household depends upon to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for the household.*

(h)(1) * * *

* * * * * * *

(3) The Secretary shall provide, by regulation, for emergency allotments to eligible households to replace food destroyed in a disaster; such regulations shall provide for replacement of the value of food actually lost up to a limit approved by the Secretary not greater than the applicable maximum monthly allotment for the household size. The Secretary shall adjust reporting and other application requirements to be consistent with what is practicable under actual conditions in the affected area. In making this adjustment, the Secretary shall consider the availability of the State agency's offices and personnel and any damage to or disruption of transportation and communication facilities.

* * * * * * *

(j) Notwithstanding subsections (a) through (i), a State agency may consider [a household in which all members of the household receive] *the resources of a household member who receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1382 et seq.) or who receives* benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and whose income does not exceed the applicable income standard of eligibility described in subsection (c)(2) to [have satisfied the resource limitations prescribed under subsection (g)] *be exempt for purposes of satisfying the resource limitations prescribed under subsection (g) of this section if such resources are considered exempt for purposes of such title.*

(k)(1) For purposes of subsection (d)(1), except as provided in paragraph (2), assistance provided to a third party on behalf of a household by a State or local government shall be considered money payable directly to the household if the assistance is provided in lieu of—

(A) a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

[(B) a benefit payable to the household for living expenses under—

[(i) a State or local general assistance program; or

[(ii) another basic assistance program comparable to general assistance (as determined by the Secretary).]

(B) a benefit payable to the household for housing expenses, not including energy or utility-cost assistance, under—

(i) a State or local general assistance program; or

(ii) another basic assistance program comparable to general assistance (as determined by the Secretary).

(2) Paragraph (1) shall not apply to—

(A) * * *

* * * * * * *

[(F) housing assistance payments made to a third party on behalf of a household residing in temporary housing if the temporary housing unit provided for the household as a result of such assistance payments lacks facilities for the preparation and cooking of hot meals or the refrigerated storage of food for home consumption; or]

(F) housing assistance payments made to a third party on behalf of a household residing in transitional housing for the homeless in an amount equal to 50 percent of the maximum shelter allowance provided to families not residing in such transitional housing under the States' plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

(G) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary[.]*; or*

(H) assistance provided to a third party on behalf of a household under a State or local general assistance program, or another local basic assistance program comparable to general assistance (as determined by the Secretary), if, under State law, no assistance under such program may be provided directly to the household in the form of a cash payment.

* * * * * * *

[(m) If a State agency excludes payments from income for purposes of the food stamp program under subsection (d)(13), such State agency shall pay to the Federal Government, in a manner prescribed by the Secretary, the cost of any additional benefits provided to households in such State that arise under such program as the result of such exclusion.]

ELIGIBILITY DISQUALIFICATIONS

SEC. 6. (a) * * *

* * * * * * *

(c) No household shall be eligible to participate in the food stamp program if it refuses to cooperate in providing information to the State agency that is necessary for making a determination of its eligibility or for completing any subsequent review of its eligibility.

(1) * * *

(2) Any household required to file a periodic report under paragraph (1) of this subsection shall, (A) if it eligible to participate and has filed a timely and complete report, receive its allotment, based on the reported information for a given month, within thirty days of the end of that month unless the Secretary determines that a longer period of time is necessary, (B) have available special procedures that permits the filing of the required information in the event all adult members of the house-hold are mentally or physically handicapped or lacking in reading of writing skills to such a degree as to be unable to fill out the required forms, (C) have a reasonable period of time after the close of the month in which to file their reports on **[**forms approved by the Secretary**]** *State agency designed forms*, (D) be afforded prompt notice of failure to file any report timely or completely, and given a reasonable opportunity to cure that failure (with any applicable time requirements extended accordingly) and to exercise its rights under section 11(e)(10) of this Act, and (E) be provided each month (or other applicable period) with an appropriate, simple form for making the required reports of the household together with clear instructions explaining how to complete the form and the rights and responsibilities of the household under any periodic reporting system.

(3) Reports required to be filed under paragraph (1) of this subsection shall be considered complete if**[**, in accordance with standards prescribed by the Secretary, they contain sufficient information to enable the State agency to determine household eligibility and allotment levels.**]** *they contain the information relevant to eligibility and benefit determinations that is specified by the State agency.* All report forms, including those related to periodic reports of circumstances, shall contain a description, in understandable terms in prominent and bold face lettering, of the appropriate civil and criminal provisions dealing with violations of this Act including the prescribed penalties. Reports required to be filed monthly under paragraph (1) shall be the sole reporting requirement for subject matter included in such reports. In promulgating regulations implementing these reporting requirements, the Secretary shall consult with the Secretary of Health and Human Services, and, wherever feasible, households that receive assistance under title IV-A of the Social Security Act and that are required to file comparable reports under that Act shall be provided the opportunity to file reports at the same time for purposes of both Acts.

* * * * * * *

(d)(1) Unless otherwise exempted by the provisions of paragraph (d)(2) of this subsection, (A) no person shall be eligible to participate in the food stamp program who is physically and mentally fit person between the ages of sixteen and sixty who (i) refuses at the time of application and once every twelve months thereafter to register for employment in a manner determined by the Secretary;

(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements as are prescribed by the State agency in accordance with paragraph (4), and the period of ineligibility shall be two months;

(iii) refuses without good cause (including the lack of adequate child care for children above the age of five and under the age of twelve) to accept an offer of employment at a wage not less than the higher of either the applicable State or Federal minimum wage, or 80 per centum of the wage that would have governed had the minimum hourly rate under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206(a)(1)), been applicable to the offer of employment, and at a site or plant not then subject to a strike or lockout; and (B) no household shall be eligible to participate in the food stamp program (i) if the head of the household is a physically and mentally fit person between the ages of sixteen and sixty and such individual refuses to do any of those acts described in clause (A) of this sentence, or (ii) if the head of the household voluntarily quits any job without good cause, but, in such case, the period of ineligibility shall be ninety days. *The State of Agency shall allow the household to select an adult parent of children in the household as its head where all adult household members making application agree to such selection.* An employee of the Federal Government, or of a State or political subdivision of a State, who engaged in a strike against the Federal Government, a State or political subdivision of a State and is dismissed from his job because of his participation in the strike shall be considered to have voluntarily quit such job without good cause. Any period of ineligibility for violations under this paragraph shall end when the household member who committed the violation complies with the requirement that has been violated. If the household member who committed the violation leaves the household during the period of ineligibility, such household shall no longer be subject to sanction for such violation and, if it is otherwise eligible, may resume participation in the food stamp program, but any other household of which such person thereafter becomes the head of the household shall be ineligible for the balance of the period of ineligiblity.

* * * * * * *

(4)(A) Not later than April 1, 1987, each State agency shall implement an employment and training program designed by the State agency and approved by the Secretary for the purpose of assisting members of households participating in the food stamp program in gaining skills, training, or experience that will increase their ability to obtain regular employment.

(B) For purposes of this Act, and "employment and training program" means a program that contains one or more of the following components:

(i) * * *

* * * * * * *

(v) Educational programs or activities to improve basic skills *and literacy,* or otherwise improve employability, including educational programs determined by the State agency to expand the job search abilities or employability of those subject to the program under this paragraph.

(vi) Programs designed to increase the self-sufficiency of recipients through self-employment, including programs that provide instruction for self-employment ventures.

[(vi)**]** *(vii)* As approved by the Secretary or the State under regulations issued by the Secretary,, other employment, educational and training programs, projects, and experiments, such as a supported work program, aimed at accomplishing the purpose to the employment and training program.

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(E) Each State agency shall establish requirements for participation by individuals not exempt under subparagraph (D) in one or more employment and training programs under this paragraph, including the extent to which any individual is required to participate. Such requirements may vary among participants. *Through September 30, 1995, four States may, upon application to the Secretary, give priority in the provision of services to voluntary participants, including both exempt and non-exempt participants, but giving such priority shall not excuse the State from compliance with the performance standards issued under subparagraphs (K) and (L), and the Secretary may, at the Secretary's discretion, approve additional States' requests to give such priority if the Secretary reports to the Congress on the number and characteristics of voluntary participants under this authority and such other information as the Secretary determines to be appropriate.*

* * * * * * *

(I)(i) The State agency shall provide payments or reimbursements to participants in programs carried out under this paragraph, including individuals participating under subparagraph (G), for—

(I) the actual costs of transportation and other actual costs (other than dependent care costs), that are reasonably necessary and directly related to participation in the program, except that the State agency may limit such reimbursement to each participant to **[**$25**]** *$75* per month; and

(II) the actual costs of such dependent care expenses that are determined by the State agency to be necessary for the participation of an individual in the program (other than an individual who is the caretaker relative of a dependent in a family receiving benefits under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)) in a local area where an employment, training, or education program under title IV of such Act is in operation or was in operation, on the date of enactment of the Hunger Prevention Act of 1988, but in no event shall such payment or **[**reimbursements exceed $160 per dependent per month. Individuals subject to the program under this paragraph may not be required to participate if dependent care costs exceed $160 per dependent per month.] *reimbursements exceed the applicable local market rate as determined by procedures consistent with any such determination under the Social Security Act. Individuals subject to the program under this paragraph may not be required to participate if dependent care costs exceed the limit established by the State agency under this paragraph (which limit shall not be less than the limit for the dependent care deduction under section 5(e)).*

[(e) No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household if he or she (1) is physically and mentally fit and is between the ages of eighteen and sixty, (2) is enrolled at least half time in an institution of higher education, or is an individual who is not assigned to or placed in an institution of higher learning through a program under the Job Training Partnership Act, and (3)(A) is not employed a minimum of twenty hours per week or does not participate in a federally financed work study program during the regular school year; (B) is not a parent with responsibility for the care of a dependent child under age six; (C) is not a parent with responsibility for the care of a dependent child above the age of five and under the age of twelve for whom adequate child care is not available; (D) is not receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or (E) is not so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act, as amended (42 U.S.C. 602).]

(e) No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household if that individual is enrolled at least half time in an institution of higher education unless such individual—

(1) is under age 18 or is age 50 or older;

(2) is not physically and mentally fit;

(3) is assigned to or placed in an institution of higher education through or in compliance with the requirements of a program under the Job Training Partnership Act, an employment and training program under this section, a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296), or another program for the purpose of employment and training operated by a State;

(4) is employed a minimum of 20 hours per week or participating in a State or federally financed work study program during the regular school year;

(5) is a parent with responsibility for the care of a dependent child under age 6 or a parent with responsibility for the care of a dependent child above the age of 5 and under the age of 12 for whom adequate child care is not available to enable such individual to attend class and satisfy the requirements of paragraph (4);

(6) is receiving aid to families with dependent children under part A of title IV of the Social Security Act;

(7) is so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act or its successor programs; or

(8) is enrolled full-time in an institution of higher education, as determined by such institution, and is a single-parent with responsibility for the care of a dependent child under age 12.

* * * * * * *

ISSUANCE AND USE OF COUPONS

SEC. 7. (a) * * *

* * * * * * *

(i)(1)(A) Any State agency may, with the approval of the Secretary, implement an on-line electronic benefit transfer system in which household benefits determined under section 8(a) are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

(B) No State agency may implement or expand an electronic benefit transfer system without prior approval from the Secretary.

(2) The Secretary shall issue final regulations effective no later than April 1, 1992 that establish standards for the approval of such a system. The standards shall include but not be limited to—

(A) determining the cost-effectiveness of the system to ensure that its operational cost, including the pro-rata cost of capital expenditures, does not exceed, in any one year, the operational cost of issuance systems in use prior to the implementation of the on-line electronic benefit transfer system,

(B) defining the required level of recipient protection regarding privacy, ease of use, and access to and service in retail food stores,

(C) the terms and conditions of retailer and financial institution participation,

(D) system security,

(E) system transaction interchange, reliability and processing speeds,

(F) financial accountability,

(G) the required testing of system operations prior to implementation, and

(H) the analysis of the results of system implementation in a limited project area prior to expansion.

(3) In the case of systems described in paragraph (1) in which participation is not optional for households the Secretary shall not approve such a system unless—

(A) a sufficient number of eligible retail food stores, including those stores able to serve minority language populations, have agreed to participate in the system throughout the area in which it will operate to ensure that eligible households will not suffer significant reduction in their choice of retail food stores or a significant increase in the cost of food or transportation to participating food stores; and

(B) any special equipment necessary to allow households to purchase food with the benefits issued under this Act is oper-

ational at all registers or check-out lines in each participating store.

(4) Administrative costs incurred in connection with activities under this subsection shall be eligible for reimbursement in accordance with section 16, subject to the limitations in section 16(g).

VALUE OF ALLOTMENT

SEC. 8. (a)*(1)* The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 5 (d) and (e) of this Act, rounded to the nearest lower whole dollar: *Provided,* That for households of one and two persons the minimum allotment shall be $10 per month, *and shall be adjusted on each October 1 to reflect the percentage change in the thrifty food plan without regard to the adjustments under section 3(o) for the 12 month period ending the preceding June, with the result rounded to the nearest $5.*

(2) State agencies may establish procedures that allow households whose regular food stamp benefits do not exceed $20, at their option, to receive, in lieu of their food stamp benefits for the initial period under subsection (c) and their regular allotment in following months, and at intervals of up to three months thereafter, aggregate allotments not to exceed $60 and covering not more than three months' benefits, which shall be provided in accordance with sections 11(e) (3) and (9) (except that no household shall begin to receive combined allotments under this section until it has complied with all applicable verification requirements of scection 11(e)(3)) and (with respect to the first aggregate allotment so issued) within forty days of the last coupon issuance.

* * * * * * *

(c)(1) * * *

(2) As used in this subsection, the term "initial month" means (A) the first month for which an allotment is issued to a household, (B) the first month for which an allotment is issued to a household following any period *of more than one month in* which such household was not participating in the food stamp program under this Act after previous participation in such program, and (C) in the case of a migrant or seasonal farmworker household, the first month for which allotment is issued to a household that applies following any period of more than 30 days in which such household was not participating in the food stamp program after previous participation in such program.

* * * * * * *

APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 9. (a)*(1)* Regulations issued pursuant to this Act shall provide for the submission of applications for approval by retail food stores and wholesale food concerns which desire to be authorized to accept and redeem coupons under the food stamp program and for the approval of those applicants whose participation will effectuate the purposes of the food stamp program. In determining the qualifications of applicants, there shall be considered among such other factors as may be appropriate, the following: (1) the nature and extent of the food business conducted by the applicant; (2) the volume of coupon business which may reasonably be expected to be conducted by the applicant food store or wholesale food concern; and (3) the business integrity and reputation of the applicant. Approval of an applicant shall be evidenced by the issue to such applicant of a nontransferable certificate of approval.

(2) The Secretary is authorized to issue regulations providing for a biennial reauthorization of retail food stores and wholesale food concerns.

(b)(1) No wholesale food concern may be authorized to accept and redeem coupons unless the Secretary determines that its participation is required for the effective and efficient operation of the food stamp program. *No combined wholesale and retail food concern may be authorized to accept and redeem coupons as a retail food store unless—*

(A) it does a substantial level of retail food business, or

(B) the Secretary determines that failure to authorize such a food concern as a retail food store would cause hardship to food stamp households.

In addition no firm may be authorized to accept and redeem coupons as both a retail food store and as a wholesale food concern at the same time.

(c) [Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern to submit information which will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act.] *Regulations issued pursuant to this Act shall require an applicant retail food store or wholesale food concern—*

(1) To submit to the Secretary information that will permit a determination to be made as to whether such applicant qualifies, or continues to qualify, for approval under the provisions of this Act or the regulations issued pursuant to this Act.

(2) To submit to the Secretary the social security numbers of the officers and on-site managers of such applicant and, in the case of a privately owned applicant, provide the social security numbers of the owners of such applicant.

(3) And each approved retail food store or wholesale food concern, to submit to the Secretary the taxpayer identification number applicable under the Internal Revenue Code of 1986 to such store or concern.

Regulations issued pursuant to this Act shall provide for safeguards which limit the use or disclosure of information obtained under the authority granted by this subsection to purposes directly connected with administration and enforcement of the provisions of this Act or the regulations issued pursuant to this Act, except that such information may be disclosed to and used by State agencies that administer the special supplemental food program for women, infants and children, authorized under section 17 of the Child Nutrition Act of 1966, for purposes of administering the provisions of that Act and the regulations issued under that Act. Such purposes shall not exclude the audit and examination of such information by the Comptroller General of the United States authorized by any other provision of law.

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ADMINISTRATION

SEC. 11. (a) * * *

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(e) The State plan of operation required under subsection (d) of this section shall provide, among such other provisions as may be required by regulation—

(1) that the State agency shall (A) at the option of the State agency, inform low-income households about the availability, eligibility requirements, application procedures, and benefits of the food stamp program *(including those activities allowed under regulations issued under this Act in effect on June 1, 1981)*; and (B) use appropriate bilingual personnel and printed material in the administration of the program in those portions of political subdivisions in the State in which a substantial number of members of low-income households speak a language other than English;

(2) that each household which contacts a food stamp office in person during office hours to make what may reasonably be interpreted as an oral or written request for food stamp assistance shall receive and shall be permitted to file, on the same day that such contact is first made, a simplified, uniform national application form for participation in the food stamp program designed by the Secretary, unless the Secretary approves a deviation from that form by a particular State agency because of the use by that agency of a dual public assistance food stamp application form pursuant to subsection (i) of this section, the requirements of an agency's computer system, or other exigencies as determined by the Secretary, and in approving such deviation, the Secretary takes into account whether such State forms are easy to use, brief and readable. In consultation with the Secretary of Health and Human Services, the Secretary shall develop a program to provide assistance to States that request assistance in the development of brief, simply-written and readable application forms including application forms that cover the food stamp program, the aid to families with dependent children program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and medical assistance programs administered by the Secretary of Health and Human Services under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.). Each food stamp application form shall contain, in plain and prominent language on its front cover, a place where applicants can write their names, addresses, and signatures, and instructions in understandable terms informing households of their right to file the application without immediately completing additional sections, describing the expedited processing requirements of section 11(e)(9) and informing households that benefits are provided

only from the date of application. Each application form shall contain a description in understandable terms in prominent and boldface lettering of the appropriate civil and criminal provisions dealing with violations of this Act, including the penalties therefor, by members of an eligible household. Each application shall also contain in understandable terms and in prominent and boldface lettering a statement that the information provided by the applicant in connection with the application for a coupon allotment will be subject to verification by Federal, State, and local officials to determine if such information is factual and that if any material part of such information is incorrect, food stamps may be denied to the applicant, and that the applicant may be subjected to criminal prosecution for knowingly providing incorrect information. The State agency shall waive in-office interviews, on a household's request, if a household is unable to appoint an authorized representative pursuant to paragraph (7) and has no adult household members able to come to the appropriate State agency office because such members are elderly, are mentally or physically handicapped, live in a location not served by a certification office, or have transportation difficulties or similar hardships as determined by the State agency (including hardships due to residing in a rural area, illness, care of a household member, prolonged severe weather, or work or training hours). If an in-office interview is waived, the State agency may conduct a telephone interview or a home visit. The State agency shall provide for telephone contact by, mail delivery of forms to, and mail return of forms by, households that have transportation difficulties or similar hardships. **[**One adult member of a household that is applying for a coupon allotment shall be required to certify in writing, under penalty of perjury, the truth of the information contained in the application for the allotment.**]** *The State agency shall require that an adult representative of each household that is applying for food stamp benefits shall certify in writing, under penalty of perjury, that the information contained in the application is true and that all members of the household are either citizens or are aliens eligible to receive food stamps under section 6(f). The signature of such adult under this section shall be deemed sufficient to comply with any provision of Federal law requiring household members to sign the application or statements in connection with the application process.* The State agency shall provide a method of certifying and issuing coupons to eligible households that do not reside in permanent dwellings or who do not have fixed mailing addresses. In carrying out the preceding sentence, the State agency shall take such steps as are necessary to ensure that participation in the food stamp program is limited to eligible households.

(3) that the State agency shall thereafter promptly determine the eligibility of each applicant household by way of verification of income other than that determined to be excluded by section 5(d) of this Act (in part through the use of the information, if any, obtained under section 16(e) of this Act), household size (in any case such size is questionable), and such other

eligibility factors as the Secretary determines to be necessary to implement sections 5 and 6 of this Act, although the State agency may verify prior to certification, whether questionable or not, the size of any applicant household and such other eligibility factors as the State agency determines are necessary, so as to complete certification of and provide an allotment retroactive to the period of application to any eligible household not later than thirty days following its filing of an application, and that the State agency shall—

(A) * * *

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(E) process applications if a household complies with the requirements of the first sentence of section 6(c), by taking appropriate steps to verify information otherwise required to be verified under this Act, and that the State agency shall provide the household, at the time of each certification and recertification, with a statement describing the reporting responsibilities of the household under this Act, and provide a toll-free or local telephone number, or a telephone number at which collect calls will be accepted by the State agency, at which the household may reach an appropriate representative of the State agency. *In certifying households in which all members are homeless individuals, the State agency shall calculate the excess shelter deduction provided in section 5(e) on the basis of reported expenses for shelter except where the household's report is questionable. Under rules prescribed by the Secretary, State agencies may develop standard estimates of the shelter and related expenses homeless households may reasonably be expected to incur and may certify households based on expenses that do not exceed this estimate.*

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(23) in a project area in which 5,000 or more households participate in the food stamp program, for the establishment and operation of a unit for the detection of fraud in the food stamp program, including the investigation, and assistance in the prosecution, of such fraud, **[**and**]**

(24) at the option of the State, for procedures necessary to obtain payment of uncollected overissuance of coupons from unemployment compensation pursuant to section 13(c)**[**.**]**; *and*

(25) a procedure for designating project areas or parts of project areas that are rural and in which low-income persons face substantial difficulties in obtaining transportation. The State agency shall designate such areas according to procedures approved by the Secretary, and in each area so designated the State agency shall provide for the issuance of coupons by mail to all eligible households in any such area, except that any household with mail losses exceeding levels established by the Secretary shall not be entitled to such a mailing and the State agency shall not be required to issue coupons by mail in those localities within such area where the mail loss rates exceed standards set by the Secretary.

(f) [To encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants, using the methods and techniques developed in the expanded food and nutrition education and other programs.] *To encourage the purchase of nutritious foods the Secretary is authorized to assign responsibility for the nutrition education of people eligible for food stamps to the extension service, as defined in section 1404(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(5)) in cooperation with the Food and Nutrition Service and the Human Nutrition Information Service.* State agencies shall encourage food stamp program participants to participate in the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), commonly known as the Smith-Lever Act and any program established under sections 1584 through 1588 of the Food Security Act of 1985. At the request of personnel of such education program, State agencies, wherever practicable, shall allow personnel and information materials of such education program to be placed in food stamp offices.

(g) If the Secretary determines, upon information received by the Secretary, investigation initiated by the Secretary, or investigation that the Secretary shall initiate upon receiving sufficient information evidencing a pattern of lack of compliance by a State agency of a type specified in this subsection, that in the administration of the food stamp program there is a failure by a State agency without good cause to comply with any of the provisions of this Act, the regulations issued pursuant to this Act, the State plan of operation submitted pursuant to subsection (d) of this section, the State plan for automated data processing submitted pursuant to subsection (o)(2) of this section, or the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) *or the requirements established pursuant to section 23* of this Act, the Secretary shall immediately inform such State agency of such failure and shall allow the State agency a specified period of time for the correction of such failure. If the State agency does not correct such failure within that specified period, the Secretary may refer the matter to the Attorney General with a request that injunctive relief be sought to require compliance forthwith by the State agency and, upon suit by the Attorney Gneeral in an appropriate district court of the United States having jurisdiction of the geographic area in which the State agency is located and a showing that noncompliance has occurred, appropriate injunctive relief shall issue, and, whether or not the Secretary refers such matter to the Attorney General, the Secretary shall proceed to withhold from the State such funds authorized under sections 16(a), 16(c), and 16(g) of this Act as the Secretary determines to be appropriate, subject to administrative and judicial review under section 14 of this Act.

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(j)(1) Any individual who is an applicant for or recipient of *supplemental security income or* social security benefits (under regulations prescribed by the Secretary in conjunction with the Secretary of Health and Human Services) shall be informed of the availability of benefits under the food stamp program and informed of the availability of a simple application to participate in such program at the social security office.

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CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS

SEC. 12. (a) Any approved retail food store or wholesale food concern may be disqualified for a specified period of time from further participation in the food stamp program, or subjected to a civil money penalty of up to $10,000 *or issued a warning letter* for each violation if the Secretary determines that its disqualification would cause hardship to food stamp households, on a finding, made as specified in the regulations, that such store or concern has violated any of the provisions of this act or the regulations issued pursuant to this Act.

(b) Disqualification under subsection (a) shall be—

(1) for a reasonable period of time, of no less than six months nor more than five years, upon the first occasion of disqualification;

(2) for a reasonable period of time, of no less than twelve months nor more than ten years, upon the second occasion of disqualification; and

(3) permanent upon—

(A) the third occasion of disqualification; **[or]**

(B) the first occasion or any subsequent occasion of a disqualification based on the purchase of coupons or trafficking in coupons or authorization cards by a retail food store or wholesale food concern, except that the Secretary shall have the discretion to impose a civil money penalty of up to $20,000 *for each violation* in lieu of disqualification under this subparagraph, for such purchase of coupons or trafficking in coupons or cards that constitutes a violation of the provisions of this Act or the regulations issued pursuant to this Act, if the Secretary determines that there is substantial evidence that such store or food concern had an effective policy and program in effect to prevent violations of the Act and the regulations**[.]***; or*

(C) a finding of the sale for coupons of firearms, ammunition, explosives, or controlled substances (as such term is defined in title II, section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802)).

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(e)(1) * * *

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(3) The Secretary may impose a fine against any retail food store or wholesale food concern that accepts food coupons that are not accompanied by the corresponding book cover, other than the denomination of coupons used for making change as specified in regulations promulgated under this Act. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations promulgated under this Act in

combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against such store or concern to collect such fine.

(f) The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem food coupons who violates any provision of this Act or the regulations promulgated under this Act including violations concerning the acceptance of food coupons. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations promulgated under this Act in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against such person to collect such fine.

COLLECTION AND DISPOSITION OF CLAIMS

SEC. 13. (a) * * *

(b)(1)(A) In the case of any ineligibility determination under section 6(b) of this Act, the household of which such ineligible individual is a member is required to agree to a reduction in the allotment of the household of which such individual is a member, or payment in cash, in accordance with a schedule determined by the Secretary, that will be sufficient to reimburse the Federal Government for the value of any overissuance of coupons resulting from the activity that was the basis of the ineligibility determination. If a household refuses to make an election within **[**thirty**]** *10* days of a demand for an election, or elects to make a payment in cash under the provisions of the preceding sentence and fails to do so, the household shall be subject to an allotment reduction.

(B) State agencies shall collect any claim against a household arising from the overissuance of coupons based on an ineligibility determination under section 6(b), other than claims collected pursuant to subparagraph (A), by using other means of collection, unless the State agency demonstrates to the satisfaction of the Secretary that such other means are not cost effective. *The State agency shall establish a claim for the amount of any benefits issued under section 8(a)(2) for which the household becomes ineligible.*

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VIOLATION AND ENFORCEMENT

SEC. 15. (a) * * *

(b)(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses coupons **[**or authorization cards in any manner not authorized by**]**, *authorization cards, or access devices in any manner contrary to* this Act or the regulations issued pursuant to this Act shall, *if such coupons or authorization cards are of a value of $5,000 or more, be guilty of a felony and shall be fined not more than $250,000 or imprisoned for not more than twenty years, or both, and shall,* if such coupons or authorization cards are of a value of $100 or more *or if the item used, transferred, acquired, altered, or possessed is an access device, but less than $5,000,* be guilty of a felony and shall, upon the first conviction thereof, be fined not more than

$10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than $10,000 or, if such coupons or authorization cards are of a value of less than $100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.

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(g) The Secretary may subject to forfeiture and denial of property rights any nonfood items, moneys, negotiable instruments, securities, or other things of value that are furnished or intended to be furnished by any person in exchange for coupons **[**or authorization cards in any manner not authorized by**]**, *authorization cards, or access devices, or anything of value obtained by use of an access device, in any manner contrary to* this Act or the regulations issued under this Act. Any forfeiture and disposal of property forfeited under this subsection shall be conducted in accordance with procedures contained in regulations issued by the Secretary.

ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL

SEC. 16. (a) The Secretary is authorized to pay to each State agency an amount equal to 50 per centum of all administrative costs involved in each State agency's operation of the food stamp program, which costs shall include, but not be limited to, the cost of (1) the certification of applicant households, (2) the acceptance, storage, protection, control, and accounting of coupons after their delivery to receiving points within the State, (3) the issuance of coupons to all eligible households, (4) food stamp informational activities *and assistance to households,* including those undertaken under section 11(e)(1)(A), and (5) fair hearings: *Provided,* That the Secretary is authorized to pay each State agency an amount not less than 75 per centum of the costs of State food stamp program investigations and prosecutions, and is further authorized at the Secretary's discretion to pay any State agency administering the food stamp program on all or part of an Indian reservation under section 11(d) of this Act such amounts for administrative costs as the Secretary determines to be necessary for effective operation of the food stamp program, as well as to permit each State to retain 50 per centum of the value of all funds or allotments recovered or collected pursuant to subsections (b)(1) and (c) of section 13 and 25 per centum of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act, except the value of funds or allotments recovered or collected pursuant to section 13(b)(2) which arise from an error of a State agency. The officials responsible for making determinations of ineligibility under this

Act shall not receive or benefit from revenues retained by the State under the provisions of this subsection.

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[(h)(1) The Secretary shall allocate among the State agencies in each fiscal year, from funds appropriated for such fiscal year under section 18(a)(1), the amount of $40,000,000 for the fiscal year ending September 30, 1986, $50,000,000 for the fiscal year ending September 30, 1987, $60,000,000 for the fiscal year ending September 30, 1988, and $75,000,000 for each of the fiscal years ending September 30, 1989 and September 30, 1990, to carry out the employment and training program under section 6(d)(4), except as provided in paragraph (3), during such fiscal year.]

(h)(1)(A) The Secretary shall allocate among the State agencies in each fiscal year, from funds appropriated for such fiscal year under section 18(a)(1), the amount of $75,000,000 for each of the fiscal years 1991 through 1995 to carry out the employment and training program under section 6(d)(4), except as provided in paragraph (3), during such fiscal year.

(B) The Secretary shall allocate among the States for fiscal years 1991 through 1995 that portion of funds required to be allocated under paragraph (A) that is not based on State agency performance based upon the ratio of the number of individuals eligible to register for work under section 6(d)(4) in each State divided by the total number of such persons in all States.

(C) In addition to the funds required to be allocated under subparagraph (A), the Secretary shall allocate $10,000,000 for each of the fiscal years 1991 through 1995 among States that would have received in any such year, under the allocation formula utilized in fiscal year 1990, an amount of funds under subparagraph (A), other than funds based on State agency performance, that exceeds the amount that such States receive under the allocation formula required by subparagraph (B), in order to maintain the level of such nonperformance funding provided to such States at the levels provided in fiscal year 1990.

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(3) The Secretary shall also reimburse each State agency in an amount equal to 50 per centum of the total amount of payments made or costs incurred by the State agency in connection with transportation costs and other expenses reasonably necessary and directly related to participation in an employment and training program under section 6(d)(4), except that such total amount shall not exceed an amount representing [$25 per participant per month for costs of transportation and other actual costs (other than dependent care costs)] *the payment made under section 6(d)(4)(I)(i)(I) but not more than $75 per participant per month.* and an amount [representing $160 per month per dependent] *to the payment made under section 6(d)(4)(I)(i)(II) but not more than the applicable local market rate* and such reimbursement shall not be made out of funds allocated under paragraph (1).

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RESEARCH, DEMONSTRATION, AND EVALUATIONS

SEC. 17. (a) * * *

(b)(1)*(A)* The Secretary may conduct on a trial basis, in one or more areas of the United States, pilot or experimental projects designed to test program changes that might increase the efficiency of the food stamp program and improve the delivery of food stamp benefits to eligible households, including projects involving the payment of the value of allotments or the average value of allotments by household size in the form of cash to eligible households all of whose members are sixty-five or over any of whose members are entitled to supplemental security income benefits under title XVI of the Social Security Act or to aid to families with dependent children under part A of title IV of the Social Security Act, the use of countersigned food coupons or similar identification mechanisms that do not invade a household's privacy, and the use of food checks or other voucher-type forms in place of food coupons. The Secretary may waive the requirements of this Act to the degree necessary for such projects to be conducted, except that no project, other than a project involving the payment of the average value of allotments by houshold size in the form of cash to eligible households *or a project authorized under paragraph (3) of this subsection,* shall be implemented which would lower or further restrict the income or resource standards or benefit levels provided pursuant to sections 5 and 8 of this Act. Any pilot or experimental project implemented under this paragraph and operating as of October 1, 1981, involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act shall be continued through October 1, [1990,] *1995,* if the State so requests.

(B) No waiver or demonstration program shall be approved under this Act after the date of enactment of the Food and Agricultural Resource Act of 1990 unless—

(i) any household whose food assistance is issued in a form other than coupons has its allotment increased to the extent necessary to compensate for any State or local sales tax that may be collected in all or part of the area covered by the demonstration project or such tax is waived on purchases of food by any such household; and

(ii) the State agency conducting such demonstration project pays the cost of such increased allotments, unless the Secretary determines on the basis of information provided by the State agency that such increase is unnecessary on the basis of the limited nature of the items subject to such State or local sales tax. The foregoing sentence shall not apply where the waiver or demonstration project already provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the households in the project area in which the household resides.

(3)(A) The Secretary may conduct demonstration projects to test improved consistency or coordination beween the food stamp employ-

ment and training program and the Job Opportunities and Basic Skills program under title IV of the Social Security Act. Notwithstanding paragraph (1), the Secretary may, as part of a project authorized under the paragraph, waive requirements under section 6(d) to permit a State to operate an employment and training program for food stamp recipients on the same terms and conditions under which the State operates its Job Opportunities and Basic Skills program for recipients of aid to families with dependent children under part F of title IV of the Social Security Act, and any work experience program conducted as pat of such project shall be conducted in conformity with section 482(f) of part F of title IV of such Act. A State seeking such a waiver shall provide assurances that the resulting employment and training program shall meet the requirements of sections 402(a)(19) and 402(g) of part A of title IV of the Social Security Act (but not including the provision of transitional benefits under sections 402(g)(1)(A)(ii) through (vii)) and sections 481–487 of part F of title IV of such Act, and each reference to "aid to families with dependnt children" in those sections shall be deemed to be a reference to food stamps for purposes of the demonstration project. Notwithstanding the other provisions of this paragraph, participation in an employment and training activity in which food stamp benefits are converted to cash shall occur only with the consent of the participant.

(B) For the purposes of any project conducted under this paragraph, the provision of this Act affecting the rights of recipients may be waived to the extent necessary to conform to the provisions of section 402 of part A and sections 481–487 of part F of title IV of the Social Security Act. At least 60 days prior to granting final approval of a project under this paragraph, the Secretary shall publish the terms and conditions for any demonstration project conducted under the paragraph for public comment in the Federal Register and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Waivers may be granted under this paragraph to conduct projects at any one time in a total of up to 60 project areas (or parts of project areas), as such areas are defined in regulations in effect on January 1, 1990.

(C) A waiver for a change in program rules may be granted under this paragraph only for a demonstration project that has been approved by the Secretary, is being evaluated by the Secretary, and that will be in operation for no more than 4 years.

* * * * * * *

(f)[(1)] In order to encourage States to plan, design, develop, and implement a system for making food stamp benefits available through the use of intelligent benefit cards or other automated or electronic benefit delivery systems, the Secretary may conduct one or more pilot or experimental projects, subject to the restrictions imposed by subsection (b)(1) and section 7(g)(2), designed to test whether the use of such cards or systems can enhance the efficiency and effectiveness of program operations while ensuring that individuals receive correct benefit amounts on a timely basis. Intelligent benefit cards developed under such a demonstration project shall contain information, encoded on a computer chip embedded in a credit card medium, including the eligibility of the individual and the amount of benefits to which such individual is entitled. Any other automated or electronic benefit delivery system developed under such a demonstration project shall be able to use a plastic card to access such information from a data file.

* * * * * * *

(h) The Secretary shall conduct a sufficient number of demonstration projects to evaluate the effects, in both rural and urban areas, of counting the fair market value of licensed vehicles to the extent the value of each vehicle exceeds $4,500, but excluding the value of—

(1) any licensed vehicle that is used to produce earned income, necessary for transportation of an elderly or physically disabled household member, or used as the household's home; and

(2) one licensed vehicle used to obtain, continue, or seek employment (including travel to and from work), used to pursue employment-related education or training, or used to secure food or the benefits of the food stamp prgram.

(i)(1) The Secretary shall conduct 5 demonstration projects, in both urban and rural areas, under which households in which each member receives benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (hereafter in this subsection referred to as "eligible households") shall be issued monthly allotments following the rules and procedures of programs under part A of title IV of the Social Security Act, and without regard to the eligibility, benefit, and administrative rules established under this Act other than those terms and conditions specified under this subsection or established by the Secretary to ensure program integrity.

(2) In carrying out such demonstration projects, the Secretary shall ensure that—

(A) The provisions of sections 6(b), 6(d)(2), and 11(e)(1)(B), (3), (4), and (9), the first sentence of section 6(c), the third sentence of section 3(i), and all applicable provisions of this Act dealing with the treatment of homeless and migrant and seasonal farm worker households shall apply.

(B) Assistance under the food stamp program shall be furnished to all eligible households who make application for assistance by providing any information that is needed by the State agency to determine the correct monthly allotment and that has not been provided as part of the household's application for assistance under part A of title IV of the Social Security Act.

(C) Eligible households' monthly allotments shall be calculated under the provisions of section 8(a), except that a household's income shall be determined in accordance with subparagraphs (D) and (E) of this paragraph. Such allotments shall be provided retroactive to the date of application.

(D) For purposes of determining monthly allotments under this subsection, household income shall be the benefit provided under part A of title IV of the Social Security Act and the amount used to determine the household's benefit under such part (not including any amount disregarded for dependent care

expenses), except that such amount shall be calculated without regard to the provisions of section 402(a)(7)(C) of such Act (42 U.S.C. 602(a)(7)(C)) and shall not include nonrecurring lump-sum income and income deemed or allocated to the household under provisions of such part.

(E) In computing household income for purposes of determining monthly allotments, all eligible households shall be allowed the standard, earned income, excess shelter, and medical expense deductions provided under section 5(e) in lieu of any earned income disregards provided under section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)). Alternatively, the Secretary may approve demonstration projects under which households without earned income are allowed such standard, excess shelter, and medical expense deductions, and household income for households with earned income is computed using the earned income disregards provided under section 402(a)(8) of the Social Security Act to the extent that the Secretary determines they are consistent with the purposes of the demonstration projects required under this subsection.

(F) Uninterrupted food stamp assistance shall be provided to households who become ineligible to receive such assistance under this subsection but are determined otherwise eligible for food stamp assistance and to households receiving food stamp assistance other than under this subsection who are determined eligible under this subsection.

(G) Any other requirements and administrative procedures equivalent to those applicable under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be used in implementing the demonstration projects required under this subsection, if the Secretary determines that such requirements or procedures further the purposes of this subsection and do not undermine program integrity.

(3) Demonstration projects established under this subsection may be carried out during the period beginning October 1, 1990, and ending September 30, 1994. In establishing such projects, the Secretary shall solicit proposals from, and consult with, interested State and local agencies and shall consult with the Secretary of Health and Human Services on waivers of Federal rules under part A of title IV of the Social Security Act that would assist in carrying out the projects required under this subsection.

(4) No later than March 1, 1995, the General Accounting Office and the Secretary shall submit reports to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate evaluating the results of the demonstration projects established under this subsection, including evaluations of the effects on recipients and administrators.

(j)(1)(A) Of sums appropriated pursuant to section 18, $5,000,000 for each of the fiscal years 1992 through 1995 shall, except as provided under paragraph (3)(E), be used by the Secretary to fund food stamp outreach demonstration projects (hereafter in this subsection referred to as the 'projects') and related evaluations in areas of the United States to increase participation by eligible low income households in the food stamp program through grants competitively awarded to public or private non-profit organizations. Such funds

shall be used in the year during which they are appropriated. No more than 20 percent of the funds specified in this paragraph shall be used for evaluations.

(B) The Secretary shall make a grant under this paragraph only to an entity that demonstrates to the Secretary that such entity is able to conduct the outreach functions described in this subsection.

(2) Outreach projects under this subsection shall be targeted toward members of rural, elderly, and homeless populations, low-income working families with children, and non-English speaking minorities. (Hereafter in this subsection, such groups shall be referred to as "target populations".)

(3)(A) The Secretary shall appoint an advisory panel (hereafter in this subsection referred to as the 'panel') composed of representatives of the target populations as well as individuals with expertise in the area of program evaluation. The panel shall not be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.).

(B) The Secretary shall select recipients for grants, taking into consideration any recommendations from the panel concerning criteria that should be used in selecting recipients, to carry out projects under this subsection based upon the appropriateness of the methods proposed for such projects to reach target populations. Appropriate methods shall include, but not be limited to—

(i) the production of electronic media campaigns (with the total amount allocated for such campaigns in the aggregate not to exceed 15 percent of the total amount of funds specified in paragraph (1)(A));

(ii) utilization of local outreach workers and volunteers;

(iii) development of solutions to transportation and access problems;

(iv) in-service training for those capable of referring households to the program;

(v) community presentations and education;

(vi) pre-screening assistance for program eligibility;

(vii) individualized client assistance;

(viii) consultation and referral for benefit appeals; and

(ix) recruitment of authorized representatives for applicants unable to appear for certification or at authorized food stores.

(C) In selecting grant recipients, the Secretary shall take into consideration the ability of the applicants to produce useful data for evaluation purposes.

(D) In selecting grant recipients from among applicant public agencies, preference shall be given to those applicants that propose to involve nonprofit organizations in projects to be carried out with such grants.

(E) At least one grant shall be provided for the development of outreach materials aimed at the general food stamp eligible population as well as the specific target populations, including written materials and public service announcements, so that such materials may be used or adopted by other grant recipients, as appropriate. In awarding any such grant, the Secretary shall require applicants to provide matching funds equal to 50 percent and shall give preference to applicants that demonstrate the ability to disseminate such materials through other public and private non-profit organizations.

Not to exceed $500,000 of the funds provided under this subsection for any fiscal year shall be used for such grant.

(4)(A) The Secretary shall evaluate a sufficient number of projects to be able to determine the effectiveness of such projects and the techniques employed by such projects with respect to—

(i) success in reducing barriers to participation,

(ii) increasing overall program participation including participation among target populations;

(iii) administrative effectiveness;

(iv) program efficiency; and

(v) adequacy of administrative resource levels to conduct such activities effectively.

(B) The Secretary shall also examine and report on previous research regarding reasons for non-participation and effective methods to conduct outreach and to reduce barriers to participation. The Secretary shall provide an interim report on the results of the evaluation carried out under this paragraph to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate no later than February 1, 1993, and a final report no later than February 1, 1995.

(5) The Secretary shall—

(A) within 180 days after the date of the enactment of this subsection, publish such notice as may be necessary to implement this subsection;

(B) accept proposals from organizations for projects under this subsection for fiscal year 1992 for 90 days following the date such notice is published; and

(C) begin to award grants under this subsection beginning no later than January 1, 1992.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 18. (a)(1) [To carry out the provisions of this Act, there are hereby authorized to be appropriated not in excess of $5,847,600,000 for the fiscal year ending September 30, 1978; not in excess of $6,778,900,000 for the fiscal year ending September 30, 1979; not in excess of $9,491,000,000 for the fiscal year ending September 30, 1980; not in excess of $11,480,000,000 for the fiscal year ending September 30, 1981; not in excess of $11,300,000,000 for the fiscal year ending September 30, 1982; not in excess of $12,874,000,000 for the fiscal year ending September 30, 1983; not in excess of $13,145,000,000 for the fiscal year ending September 30, 1984; and not in excess of $13,933,000,000 for the fiscal year ending September 30, 1985. To carry out the provisions of this Act, there are hereby authorized to be appropriated not in excess of $13,037,000,000 for the fiscal year ending September 30, 1986; not in excess of $13,936,000,000 for the fiscal year ending September 30, 1987; not in excess of $14,741,000,000 for the fiscal year ending September 30, 1988; not in excess of $15,435,000,000 for the fiscal year ending September 30, 1989; and not in excess of $15,970,000,000 for the fiscal year ending September 30, 1990.] *To carry out the provisions of this Act, there are hereby authorized to be appropriated such sums as are necessary for the fiscal year 1991 through 1995.* Not to exceed one-fourth of 1 per centum of the previous year's appropriation is authorized in each such fiscal year to carry out the provisions of section 17 of this Act. The Secretary shall, by the fifteenth day of each month, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each monthly report, the Secretary shall also state whether there is reason to believe that [reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section] *supplemental appropriations will be needed to support the operation of the program through the end of the fiscal year.*

* * * * * * *

(b) In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. Notwithstanding any other provision of this Act, if in any fiscal year the Secretary finds that the requirements of participating States will exceed the appropriation [amount authorized in subsection (a)(1)], the Secretary shall direct State agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with the provisions of this subsection.

* * * * * * *

(h) Of sums appropriated pursuant to this section, not more than $2,000,000 in any fiscal year may be used by the Secretary to make two-year competitive grants that will (1) enhance interagency cooperation in nutrition education activities and (2) develop cost effective ways to inform people eligible for food stamps about nutrition, resource management, and community nutrition education programs, such as the expanded food and nutrition education program. Awards will be made to one or more cooperative extension services, as defined in section 1404(5) of the National Agricultural Reseach, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(5)), in coordination with local or State agencies serving low income people. Each project shall include an evaluation component and shall develop an implementation plan for replication in other States. The Secretary shall report to the appropriate committees of Congress on the results of the projects and shall disseminate these results through the cooperative extension service system and to State welfare offices, local food stamp program offices, and other entities serving low income households.

SEC. 19. [(a)(1)(A) From the sums appropriated under this Act the Secretary shall, subject to the provisions of this subsection and subsection (b), pay to the Commonwealth of Puerto Rico not to exceed $825,000,000 for the fiscal year ending September 30, 1986, $852,750,000 for the fiscal year ending September 30, 1987, $879,750,000 for the fiscal year ending September 30, 1988, $908,250,000 for the fiscal year ending September 30, 1989, and $936,750,000 for the fiscal year ending September 30, 1990, to finance 100 per centum of the expenditures for food assistance provided to needy persons, and 50 per centum of the administrative expenses related to the provision of such assistance.**]** *(a)(1)(A) From the sums appropriated under this Act, the Secretary shall, subject to the provisions of this section, pay to the Commonwealth of Puerto Rico $985,000,000 for fiscal year 1991, $1,029,000,000 for fiscal year 1992, $1,074,000,000 for fiscal year 1993, $1,121,000,000 for fiscal year 1994, and $1,170,000,000 for fiscal year 1995, to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses related to the provision of such assistance.*

* * * * * * *

AUTOMATION

SEC. 23. (a) STANDARDS AND PROCEDURES FOR REVIEWS.—(1) INITIAL REVIEWS.—(A) IN GENERAL.—The Secretary shall develop by October 1, 1992, standards for initial approval of automated data processing and information retrieval systems for State agencies and shall further develop written procedures for conducting initial approval reviews for systems described in section 16(g). Such standards shall take into consideration the state of the art in automation technology and those elements identified in section 11(o).

(B) DEADLINE FOR NEW SUBMISSIONS.—Advance planning documents submitted by State agencies and approved by the Secretary after October 1, 1992, must meet the standards for initial approval required pursuant to subparagraph (A).

(C) DEADLINE FOR MODIFICATIONS.—Modifications or amendments, submitted after October 1, 1992, to advance planning documents must meet the standards for initial approval required pursuant to subparagraph (A) regardless of when the original advance planning document was submitted to the Secretary for approval.

(2) DEADLINE FOR STATEWIDE OPERATION.—The deadline for statewide operation of such systems for a State is the earlier of—

(A) September 30, 1994, or

(B) the last day of the sixth month following the date specified for operation of such systems in the State's most recently approved advanced planning document submitted before the date of the enactment of this section.

(3) CONTINUED APPROVAL.—The Secretary shall develop by October 1, 1992, a set of performance standards for continued systems approval and shall further develop procedures for conducting reapproval reviews, including specific criteria for reassessing systems operations no less often than every 2 years to insure that all such performance standards and other requirements are met on a continuous basis.

(4) CONDITIONS.—In order to receive payments under section 16(g), and not be subject to a penalty pursuant to section 11(g), a State system must be initially approved by the Secretary in accordance with the standards and procedures under paragraph (1), be operational on or before the deadline established under paragraph (2), and, in the fiscal year subsequent to initial approval and continuously thereafter, meet the performance requirements prescribed by the Secretary.

(b) Review Process.—The Secretary, with respect to State automation systems, shall—

(1) provide that reviews for reapproval, conducted before October 1, 1994, shall be for the purpose of developing a systems performance data base and assisting State agencies to improve their systems;

(2) insure that review procedures, performance standards, and other requirements developed under subsection (a) are sufficiently flexible to allow for differing administrative needs among the State agencies, and that such procedures, standards, and requirements are of a nature that will permit their use by State agencies for self-evaluation;

(3) notify all State agencies of proposed procedures, standards, and other requirements at least 2 quarters prior to the fiscal year in which such procedures, standards, and other requirements will be used for conducting reviews for reapproval;

(4) provide technical assistance to State agencies in the development and improvement of the systems so as to continually improve the capacity of such systems;

(5) develop and disseminate clear definitions of those types of reasonable costs relating to State systems that are reimbursable under the provisions of section 16;

(6) allow State agencies the option of contracting with private vendors for the development or operation of approved systems; and

(7) report on or before October 1, 1993, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the extent to which State agencies have developed and are operating effective systems.

(c) Waiver.—(1) Granting.—The Secretary may waive some or all of the provisions of this section with respect to the operation and approval of automated food stamp program and information retrieval systems with respect to any State that—

(A) has a 1988 population (as reported by the Bureau of the Census) of less than one million and made total expenditures (including Federal reimbursement) for which Federal financial participation is authorized under this Act of less than $25 million in federal fiscal year 1989 (as reported by such State agency for such year), or

(B) reasonably demonstrates that the application of such provision, in whole or in part, would not significantly improve the efficiency of the administration of such State agency's plan under this Act.

(2) Withdrawal.—If the Secretary determines that the application of the provisions of this section, other than this subsection, to a State agency would significantly improve the efficiency of the administration of the State agency's plan under this Act; the Secretary may withdraw the State agency's waiver under paragraph (1) and shall impose a timetable for such State agency with respect to compliance with the provisions of subsection (a).

(d) Good Cause Waiver.—The Secretary may waive requirements under this section if the Secretary determines that a State agency is

unable to comply for good cause. Any such waiver shall be subject to review no less frequently than once every 2 years.

(e) Cost Sharing.—The Secretary shall pay each State agency with an approved system an amount greater than 50 percent but not in excess of 75 percent of the operational cost of such system for any year following the fiscal year in which the Secretary determines that such State agency is operating a significantly more effective and efficient program. The total of such payments shall equal $25,000,000 in fiscal year 1994 and $30,000,000 in fiscal year 1995.

Section 11002 of the Homeless Eligibility Clarification Act

SEC. 11002. MEALS SERVED TO HOMELESS INDIVIDUALS.

(a) * * *

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(f)(1) * * *

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(3) The amendments made by this section[, except those amendments made by subsection (b)] *subsections (a) and (b)* shall cease to be effective after September 30, 1990.

Temporary Emergency Food Assistance Act of 1983

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[TITLE II—TEMPORARY EMERGENCY FOOD ASSISTANCE ACT OF 1983]

TITLE II—EMERGENCY FOOD ASSISTANCE ACT

Sec. 201. This title may be cited as the "[Temporary] Emergency Food Assistance Act of 1983", and is hereinafter in this title referred to as "this Act".

ELIGIBILITY RECIPIENT AGENCIES

Sec. 201A. *(a)* As used in this Act the term "eligible recipient agencies" means public or nonprofit organizations that administer—

(1) * * *

* * * * * * *

(b) State agencies may, with the approval of the Secretary, determine wehther a public or nonprofit organization is an eligible recipient agency on the basis of its service to a substantial number of low-income persons rather than by individual income eligibility determinations if such procedures will reduce administrative burdens to the agency and ensure that most program recipients are low-income persons.

AVAILABILITY OF CCC COMMODITIES

Sec. 202. (a) * * *

* * * * * * *

(g)(1) Whenever commodities acquired by the Commodity Credit Corporation are made available for donation to domestic food programs in amounts that exceed Federal obligations for such donations, the Secretary also shall make some portion of such commodities available to emergency feeding organizations authorized by this Act.

(2) In determining the commodities that will be made available to emergency feeding organizations under the provisions of this Act, the Secretary may distribute commodities that become available on a seasonal or irregular basis.

* * * * * * *

AUTHORIZATION AND APPROPRIATIONS

SEC. 204. [(a) There is appropriated for the period ending September 30, 1983, $50,000,000 for the Secretary to make available to the States for storage and distribution costs, of which not less than $10,000,000 shall be made available for paying the actual costs incurred by charitable institutions, food banks, hunger centers, soup kitchens, and similar nonprofit organizations providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons, provided that in no case shall such payments exceed five per centum of the value of commodities distributed by any such agency.

[(b) There are hereby authorized to be appropriated $50,000,000 for each of the fiscal years ending September 30, 1984, and September 30, 1985, for the Secretary to make available to the States for storage and distribution costs of which not less than twenty per centum of the amount appropriated under this subsection in any fiscal year shall be made available for paying or providing advance payments to cover the actual costs incurred by charitable institutions, food banks, hunger centers, soup kitchens, and similar nonprofit eligible recipient agencies providing nutrition assistance to relieve situations of emergency distress through the provision of food to needy persons, including low-income and unemployed persons: *Provided,* That in no case shall such payments exceed five per centum of the value of commodities distributed by any such agency.]

[(c)] *(a)*(1) There are authorized to be appropriated $50,000,000 for each of the fiscal years [ending September 30, 1986, through September 30, 1990,] *1991 through 1995* for the Secretary to make available to the States for State and local payments for costs associated with the distribution of commodities by emergency feeding organizations under this title. Funds appropriated under this paragraph for any fiscal year shall be allocated to the States on an advance basis, dividing such funds among the States in the same proportions as the commodities distributed under this title for such fiscal year are divided among the States. If a State agency is unable to use all of the funds so allocated to it, the Secretary shall reallocate such unused funds among the other States. States may also use funds provided under this paragraph to pay for the costs associated with the distribution of commodities under the program authorized under section 110 of the Hunger Prevention Act of 1988, and to pay for the costs associated with the distribution of additional commodities provided pursuant to section 214.

(2) Each State shall make available to emergency feeding organizations in the State not less than 40 per centum of the funds provided as authorized in paragraph (1) that it has been allocated for a fiscal year, as necessary to pay for, or provide advance payments to cover, the direct expenses of the emergency feeding organizations for distributing commodities to needy persons, but only to the extend such expenses are actually so incurred by such organizations. As used in this paragraph, the term "direct expenses" includes costs of transporting, storing, handling, and distributing commodities incurred after they are received by the organization; costs associated with determinations of eligibility, verification, and documentation; costs of providing information to persons receiving commodities under this Act concerning the appropriate storage and preparation of such commodities; and costs of recordkeeping, auditing, and other administrative procedures required for participation in the program under this title. If a State makes a payment, using State funds, to cover direct expenses of emergency feeding organizations, the amount of such payment shall be counted toward the amount a State must make available for direct expenses of emergency feeding organizations under this paragraph.

(3) States to which funds are allocated for a fiscal year under this subsection shall submit financial reports to the Secretary, on a regular basis, as to the use of such funds. No such funds may be used by States or emergency feeding organizations for costs other than those involved in covering the expenses related to the distribution of commodities by emergency feeding organizations.

(4)(A) Except as provided in subparagraph (B), effective January 1, 1987, to be eligible to receive funds under this subsection, a State shall provide in cash or in kind (according to procedures approved by the Secretary for certifying these in-kind contributions) from non-Federal sources a contribution equal to the difference between—

(i) the amount of such funds so received; and

(ii) any part of the amount allocated to the State and paid by the State—

(I) to emergency feeding organizations; or

(II) for the direct expenses of such organizations; for use in carrying out this title.

(B)(i) Except as provided in clause (ii), subparagraph (A) shall apply to States beginning on January 1, 1987.

(ii) If the legislature of a State does not convene in regular session before January 1, 1987, paragraph (1) shall apply to such State beginning on October 1, 1987.

(C) Funds allocated to a State under this section may, upon State request, be allocated before States satisfy the matching requirement specified in subparagraph (A), based on the estimated contribution required. The Secretary shall periodically reconcile estimated and actual contributions and adjust allocations to the State to correct for overpayments and underpayments.

(5) States may not charge for commodities made available to emergency feeding organizations, and may not pass on to such organizations the cost of any matching requirements, under this Act.

[(d)**]** *(b)* The value of the commodities made available under this Act and the funds of the Corporation used to pay the costs of initial processing, packaging (including forms suitable for home use), and delivering commodities to the States shall not be charged against appropriations made or authorized under this section.

* * * * * * *

REGULATIONS

SEC. 210. (a) * * *

* * * * * * *

[(c) With respect to the commodity distribution program under this Act in effect during the period ending on the date specified in section 212, the Secretary shall, not later than October 1, 1983, publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available during the first twelve months of the program; and, as early as feasible but not later than the beginning of each of the fiscal years 1989 and 1990, the Secretary shall publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available during such fiscal year of the program under this Act: *Provided,* That the actual types and quantities of commodities made available by the Secretary under this Act may differ from the estimates.**]**

(c)(1) The Secretary shall as early as feasible but not later than the beginning of each fiscal year, publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under the commodity distribution program under this Act during such fiscal year.

(2) The actual types and quantities of commodities made available by the Secretary under this Act may differ from the estimates made under paragraph (1).

* * * * * * *

PROGRAM TERMINATION

SEC. 212. Except for section 207, this Act shall terminate on September 30, **[**1990**]** *1995.*

* * * * * * *

SEC. 214. REQUIRED PURCHASES OF COMMODITIES.

(a) PURPOSE.—It is the purpose of this section to establish a formula so that the amount, measured by their value, of additional commodities that are to be allocated to each State can be precisely calculated for **[**fiscal years 1989 and 1990**]** *fiscal years 1989 through 1992.* The share of commodities, as measured by their value, to be allocated to each State shall be based 60 percent on the number of persons in households within the State having incomes below the poverty level and 40 percent on the number of unemployed persons within the State.

* * * * * * *

[(e) AMOUNTS.—During each of the fiscal years 1989 and 1990, the Secretary shall spend $120,000,000 to purchase, process, and distribute additional commodities under this section.]

(e) AMOUNTS.—During fiscal year 1991, the Secretary shall spend $175,000,000 and during fiscal year 1992 the Secretary shall spend $190,000,000, to purchase, process, and distribute additional commodities under this section. To carry out the provisions of this subsection there are hereby authorized to be appropriated $220,000,000 for each of the fiscal years 1993 through 1995 to purchase, process, and distribute additional commodities under this section. Any amounts provided for fiscal years 1993 through 1995 shall be available only to the extent and in such amounts as are provided in advance in appropriations acts.

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COMMODITY DISTRIBUTION REFORM ACT AND WIC AMENDMENTS OF 1987

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SEC. 3. COMMODITY DISTRIBUTION PROGRAM REFORMS.

(a) COMMODITIES SPECIFICATIONS.—

*(1) * * **

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(3) ADVISORY COUNCIL.—(A) The Secretary shall establish an advisory council on the distribution of donated commodities to recipient agencies. The Secretary shall appoint not less than nine and not more than 15 members to the council, including—

(i) representatives of recipient agencies, including food banks;

* * * * * * *

SEC. 3A. STATE OPTION CONTRACTS FOR COMMODITIES.

The Secretary may use the funds of the Commodity Credit Corporation and the funds available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to pay for all or a portion of the cost, as agreed upon with the State distribution agency, of food or the processing or packaging of food on behalf of a State distribution agency. In such cases, the State distribution agency shall reimburse the Secretary for the agreed upon cost. Any funds received by the Secretary as reimbursement shall be deposited to the credit of the Commodity Credit Corporation or the appropriation originally charged for such costs, as appropriate. If the State distribution agency fails, within 150 days of delivery, to make the required reimbursement in full, the Secretary shall, within 30 days, offset any outstanding amount against the appropriate account.

SEC. 4. FOOD BANK DEMONSTRATION PROJECT.

(a) [DEMONSTRATION PROJECT] *COMMUNITY FOOD BANKS.*—The Secretary shall carry out no less than one demonstration project to provide and redistribute agricultural commodities and food products thereof as authorized under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), to needy individuals and families through community food banks. The Secretary may use a State agency or any other food distribution system for such provision or redistribution of section 32 agricultural commodities and food products through community food banks under a demonstration project.

* * * * * * *

(d) EFFECTIVE PERIOD.—This section shall be effective for the period beginning on the date of enactment of this Act [and ending on December 31, 1990].

[(e) PROGRESS REPORTS.—The Secretary shall submit annual progress reports to Congress beginning on July 1, 1988, and a final report on July 1, 1990, regarding each demonstration project carried out under this section. Such reports shall include analyses and evaluations of the provision and redistribution of agricultural commodities and food products under the demonstration projects. In addition, the Secretary shall include in the final report any recommendations regarding improvements in the provision and redistribution of agricultural commodities and food products to community food banks and the feasibility of expanding such method of provisions and redistribution of agricultural commodities and food products to other community food banks.]

(e) REPORTS.—Not later that July 1, 1991, the Secretary shall submit a report to Congress on each project carried out under this section. Thereafter, the Secretary shall submit biennial reports to Congress on such projects. Such reports shall include analyses and evaluations of the provision and redistribution of agricultural commodities and food products under such projects, recommendations regarding improvements in the provision and redistribution of agricultural commodities and food products to community food banks, and the feasibility of expanding this method of provision and redistribution of agricultural commodities and food products to other community food banks.

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SEC. 13. DEFINITIONS.

For purposes of this Act:

(1) * * *

* * * * * * *

(3) The term "recipient agency" means—

(A) * * *

* * * * * * *

(E) an agency or organization distributing commodities under a program established in section 202 of the [Temporary] Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note).

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AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

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COMMODITY DISTRIBUTION PROGRAM

SEC. 4. (a) Notwithstanding any other provision of law, the Secretary may, during fiscal years [1986, 1987, 1988, 1989, and 1990,] *1991 through 1995,* purchase and distribute sufficient agricultural commodities with funds appropriated from the general fund of the Treasury to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to distribution to institutions, *including hospitals and facilities caring for needy infants and children,* supplemental feeding programs wherever located *serving women, infants and children, or elderly persons,* disaster areas, summer camps for children, the United States Trust Territory of the Pacific Islands, and Indians, whenever a tribal organization requests distribution of federally donated foods pursuant to section 4(b) of the Food Stamp Act of 1977. In providing for commodity distribution to Indians, the Secretary shall improve the variety and quantity of commodities supplied to Indians in order to provide them an opportunity to obtain a more nutritious diet.

* * * * * * *

COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 5. (a) In carrying out the supplemental feeding program (hereinafter referred to as the "commodity supplemental food program)" under section 4 of this Act, the Secretary (1) may institute two pilot projects directed at low-income elderly persons, including, where feasible, distribution of commodities to such persons in their homes; (2) shall provide to the State agencies administering the commodity supplemental food program, for each of the fiscal years [1986 through 1990,] *1991 through 1995,* funds appropriated from the general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year [may not exceed 15 per centum of the sum of (A) the amount appropriated for the commodity supplemental food program and (B)] *may not be less than the sum of (A) 20 percent of the amount appropriated for the commodity supplemental food program and (B) 15 percent of* the value of all additional commodities donated by the Secretary to State and local agencies that are provided without charge or credit for distribution to program participants.

* * * * * * *

(d)*(1)* During each fiscal year the commodity supplemental food program is in operation, the types and varieties of commodities and their proportional amounts shall be determined by the Secretary, but, if the Secretary proposes to make any significant changes in the types, varieties, or proportional amounts from those that were available or were planned at the beginning of the fiscal year (or as were available during the fiscal year ending June 30, 1976, whichever is greater) the Secretary shall report such changes before implementation to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation's inventory levels permit, provide 7,000,000 pounds of cheese in each of the fiscal years 1989 through 1995 to the Secretary of Agriculture and the Secretary shall provide such amounts of cheese to the Commodity Supplemental Food Program authorized under section 4(a) before the end of each fiscal year.

* * * * * * *

(f) The Secretary shall, in any fiscal year, approve applications of [additional sites for the program] *additional sites for the program, including sites that serve only elderly persons,* in areas in which the program currently does not operate to the full extent that this can be done within the appropriations available for the program for the fiscal year and without reducing actual participation levels (including participation of elderly persons under subsection (g)) in areas in which the program is in effect.

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HUNGER PREVENTION ACT OF 1988

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TITLE I—EMERGENCY HUNGER PREVENTION

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Subtitle B—Soup Kitchens and Other Emergency Food Aid

SEC. 110. SOUP KITCHENS AND FOOD BANKS.

(a) PURPOSE.—It is the purpose of this section to establish a formula so that the amount, measured by their value, of additional commodities that are to be provided to each State for redistribution to soup kitchens and food banks can be precisely calculated for fiscal years 1989 through [1991] *1995.* The share of commodities, as measured by their value, to be provided to each State shall be based 60 percent on the number of persons in households within the State having incomes below the poverty level and 40 percent on the number of unemployed persons within the State.

* * * * * * *

(c) AMOUNTS.—*(1)* During each of the fiscal years 1989 and 1990, the Secretary shall spend $40,000,000, and [in fiscal year 1991] *during each of the fiscal years 1991 though 1995,* the Secretary shall spend $32,000,000, to purchase, process, and distribute additional commodities to States for distribution to soup kitchens and food banks within a given State that provide nutrition assistance to relieve situations of emergency and distress through the provision of food and meals to needy persons.

(2) During each of the fiscal years 1991 through 1995, whenever milk acquired by the Commodity Credit Corporation is made available for donation to domestic food programs, the Secretary shall

make some amount available to States for distribution to food banks and soup kitchens.

* * * * * * *

[SEC. 111. GLEANING TECHNICAL ASSISTANCE.

[(a) Gleaning Defined.—As used in this section, the term "gleaning" means—

[(1) obtaining harvested or unharvested agricultural products from farmers, processors, or retailers; or

[(2) obtaining food or meals donated by public or private entities (where State and local health and food safety regulations permit such donations);

in order to facilitate the distribution of such products or such food or meals to needy individuals, but only if such products or such food or meals, and the access to such, are obtained with the permission of the owner and without charge therefor.

[(b) Duties.—The Secretary of Agriculture shall provide technical assistance to State and local agencies to—

[(1) assist such agencies in encouraging public and private nonprofit organizations to initiate and carry out gleaning activities and in providing technical assistance to organizations and individuals involved in gleaning; and

[(2) assist such agencies in collecting information on the kinds, amounts, and geographical location of agricultural products and food or meals available for gleaning.

[(c) Administration.—The Secretary of Agriculture may use Department of Agriculture employees and volunteers, as may be necessary, to carry out this section.

[(d) Authorization of Appropriations.—To carry out this section, there are authorized to be appropriated $500,000 for each of fiscal year 1989 and 1990.]

SEC. 111. NATIONAL GLEANING CLEARINGHOUSE.

(a) Definition of Gleaning.—For purposes of this section, the term "to glean" means to collect unharvested crops from the fields of farmers, or to obtain agricultural products from farmers, processors, or retailers, in order to distribute such products to needy individuals, including unemployed and low income individuals, and the term includes only those situations in which agricultural products and access to fields and facilities are made available without charge.

(b) Establishment.—(1) The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") is authorized to establish a National Gleaning Clearinghouse (hereafter in this section referred to as the "Clearinghouse").

(2) Through the Clearinghouse, the Secretary is authorized to—

(A) encourage public and nonprofit private organizations to initiate and carry out gleaning activities, and to assist other organizations and individuals to do so, through lectures, correspondence, consultation, or such other measures as the Secretary may deem appropriate;

(B) collect from public and private sources (including farmers, processors, and retailers) information relating to the kinds,

amounts, and geographical locations of agricultural products not completely harvested;

(C) gather, compile, and make available to public and nonprofit private organizations and to the public the statistics and other information collected under the paragraph, at reasonable intervals, as determined by the Secretary;

(D) establish and operate a toll-free telephone line by which—

(i) farmers; processors, and retailers may report to the Clearinghouse for dissemination information regarding unharvested crops and agricultural products available for gleaning, and may also report how they may be contacted;

(ii) public and nonprofit organizations that wish to glean or to assist others to glean, may report to the Clearinghouse the kinds and amounts of products that are wanted for gleaning, and may also report how they may be contacted;

(iii) persons who can transport crops or products may report the availability of free transportation for gleaned crops or products; and

(iv) information about gleaning can be provided without charge by the Clearinghouse to the persons and organizations described in clauses (i), (ii), and (iii) above;

(E) prepare, publish, and make available to the public, at cost and on a continuing basis, a handbook on gleaning that includes such information and advice as may be useful in operating efficient gleaning activities and projects, including information regarding how to—

(i) organize groups to engage in gleaning; and

(ii) distribute to needy individuals, including low-income and unemployed individuals, food and other agricultural products that have been gleaned; and

(F) advertise in print, on radio, television, or through other media, as the Secretary considers to be appropriate, the services offered by the Clearinghouse under this section.

* * * * * * *

Subtitle D—Commondity Supplemental Food Program

[SEC. 130. CONTINUATION OF PROVISION OF CHEESE SUPPLIES.

[Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation's inventory levels permit, provide 7,000,000 pounds of cheese in each of the fiscal years 1989 and 1990 to the Secretary of Agriculture and the Secretary shall provide such amounts of cheese to the Commodity Supplemental Food Program authorized under section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) before the end of each fiscal year.]

* * * * * * *

United States Grain Standards Act

DECLARATION OF POLICY

Sec. 2. (a) * * *

(b) It is also declared to be the policy of Congress—

(1) to promote the marketing of grain of high quality to both domestic and foreign buyers;

(2) that the primary objective of the official United States standards for grain is to certify the quality of grain as accurately as practicable; and

(3) that official United States standards for grain shall—

(A) define uniform and accepted descriptive terms to facilitate trade in grain;

(B) provide information to aid in determining grain storability;

(C) offer users of such standards the best possible information from which to determine end-product yield and quality of grain; [and]

(D) provide the framework necessary for markets to establish grain quality improvement incentives[.]*;* and;

(E) reflect the economic value-based characteristics in the end uses of grain; and

(F) accommodate scientific advances in testing and new knowledge concerning factors related to, or highly correlated with, the end use performance of grain.

* * * * * * *

STANDARDS

Sec. 4. (a) * * *

(b)*(1)* Before establishing, amending, or revoking any standards under this Act, the Administrator shall publish notice of the proposal and give interested persons opportunity to submit data, views, and arguments thereon and, upon request, an opportunity to present data, views, and arguments orally in an informal manner. No standards established or amendments or revocations of standards under this Act shall become effective less than one calendar year after promulgation thereof, unless in the judgment of the Administrator, the public health, interest, or safety require that they become effective sooner.

(2)(A)(i) The Administrator shall conduct a study to determine the costs and benefits to the United States grain industry, from producer to end user, of marketing cleaner grain. The study shall identify—

(I) the need to establish new or revised current factors relating to grain cleanliness; and

(II) appropriate limits for cleanliness factors taking into consideration the technical ability and practicability of the commercial market to comply with such limits, the economic benefits and costs to the grain industry, and domestic and international demand.

(ii) If the Administrator determines, after evaluating the results of the study required by clause (i), that establishing new or revised current factors relating to cleanliness would be in the best economic

interest of United States agriculture, the Administrator shall establish or amend the standards to include economically and commercially practical levels of cleanliness for the grain. The Administrator shall make a determination under this clause no later than 2 years after enactment of this paragraph.

(B) In setting requirements for cleanliness characteristics, the Administrator shall—

(i) consider technical constraints, economic benefits and costs to producers and industry, domestic and international demand; and

(ii) follow established rule-making procedures, including the solicitation of public comment.

(C) If the Administrator establishes limits on cleanliness characteristics under this section, the limits shall be fully implemented not later than 3 years after the determination required under subparagraph (A)(ii). Subsequent revision of cleanliness limits shall be conducted consistent with the schedule of the Administrator for reviewing grain standards.

(c)(1) In establishing standards under subsection (a) the Administrator shall establish for each grain official grade-determining factors and factor limits that reflect the levels of soundness and purity that are consistent with end-use performance goals of the major foreign and domestic users of each grain for which official grades are established. The soundness and purity levels established for grades No. 3 and better shall provide users of such standards the best possible information from which to determine end-use product quality. The Administrator shall establish factor limits that will provide that grain meeting the requirements for grades No. 3 and better will perform in accordance with general trade expectations for the predominant uses of such grain.

[(c)**]** *(d)* If the Government of any country requests that moisture content remain a criterion in the official grade designations of grain, such criterion shall be included in determining the official grade designation of grain shipped to such country.

OFFICIAL INSPECTION AND WEIGHING REQUIREMENTS

SEC. 5. (a) * * *

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(d) The Administrator is authorized and directed to require that all corn exported from the United States be tested to ascertain whether it exceeds acceptable levels of aflatoxin contamination.

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OFFICIAL INSPECTION AUTHORITY AND FUNDING

SEC. 7. (a) * * *

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(k) Except as otherwise authorized by the Administrator, or except on the request of a purchaser, all export grain that is officially inspected shall be loaded aboard the final carrier according to a plan that provides for certification of quality as accurately as practical.

* * * * * * *

PROHIBITED ACTS

SEC. 13. (a) * * *

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(e)(1) The Administrator may prohibit the contamination of sound and pure grain through the introduction of—

(A) nongrain substances; and

(B) grain that is unfit for the ordinary commercial purposes for which such grain is intended to be used (to the extent that its combination with grades No. 3 or better will preclude the resultant combination from meeting the performance levels expected of such grades and as is required by section 4(c)(1)).

(2) In no case shall the Administrator prohibit the blending of an entire grade of grain unless the grade-determining factors are determined to render such mixture unfit for the commercial purposes for which such grain is to be used.

(3) Prior to taking action under this subsection, the Administrator shall follow established rule-making procedures, including the solicitation of public comment, in identifying and defining actions and conditions subject to prohibition.

* * * * * * *

SECTION 102 OF THE DEPARTMENT OF AGRICULTURE ORGANIC ACT OF 1944

SEC. 102. (a) * * *

(b) The Secretary of Agriculture is further authorized to cooperate with the government of [all countries of the Western Hemisphere] *foreign countries,* or the local authorities thereof, and with *foreign or* international organizations or associations, in carrying out necessary surveys and control operations in those countries in connection with the detection, eradication, suppression, control, and prevention or retardation of the spread of plant pests.

SECTION 1 OF THE ACT OF FEBRUARY 28, 1947

The Secretary of Agriculture is authorized to cooperate with the Governments of [Mexico, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, Belize, Panama, Colombia, and Canada the Bahama Islands, the Greater Antilles, and the Lesser Antilles] *foreign countries,* and with *foreign or* international organizations or associations in carrying out operations or measures to eradicate, suppress, or control, or to prevent or retard, any communicable disease of animals or vectors thereof, including but not limited to foot-and-mouth disease, rinderpest, or screw-worm in such countries where he deems such action necessary to protect the livestock, poultry, and related industries of the United States. In performing the operations or measures authorized in this Act, the Governments of such countries shall be responsible for the authority necessary to carry out such operations or measures on all lands and properties therein and for such other facilities and means as in the discretion of the Secretary of Agriculture are necessary. The measure and character of cooperation carried out under this Act on the part of the United States and on the part of the Government of such countries, including the expednniture or use of funds appropriated pursuant to this Act, shall be such as may be prescribed by the Secretary of Agriculture. Arrangements for the cooperation authorized by this Act shall be made through and in consultation with the Secretary of State. The authority contained in this Act is in addition to and not in substitution for the authority of existing law.

SECTION 1547 OF THE FARMLAND PROTECTION POLICY ACT

STATEMENT OF LIMITATION

SEC. 1547. (a) * * *

(b) None of the provisions of other requirements of this subttitle shall apply to the acquisition or use of farmland for national defense purposes *during a national emergency.*

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